



# ***JPRS Report***

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## ***Beijing Financial, Economic Development Reports***

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## Beijing Financial, Economic Development Reports

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## Beijing Outlines 10-Year Program

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[Report on outlines of the 10-year program and the Eighth Five-Year Plan for economic and social development of Beijing, delivered by Chen Xitong, mayor of Beijing Municipality, at the fourth session of the ninth municipal People's Congress on 17 April]

[Text] Fellow deputies:

On behalf of the Beijing Municipal People's Government, I now submit a report to the present session on the outlines of the 10-year program and the Eighth Five-Year Plan for Beijing's economic and social development.

In line with the arrangements of the State Council, as early as at the beginning of last year, we started researching and drawing up the 10-year program and the Eighth Five-Year Plan for Beijing's economic and social development. Since then, we have solicited, many times, opinions from various districts and counties, various departments, People's Congress deputies of various cities, members of Chinese People's Political Consultative Conference [CPPCC], democratic parties, nonparty personages, people's groups, and pertinent specialists and scholars. We have also drawn up the "Draft' Outlines of the 10-Year Program and the Eighth Five-Year Plan for Beijing's Economic and Social Development," in accordance with the guidelines of the seventh plenary session of the 13th Party Central Committee, the fourth session of the seventh National People's Congress [NPC], and the 11th session of the sixth Beijing Municipal CPC Committee, and in line with the central authorities' instructions on the principle for the construction of the capital and with the demands of the written reply given by the central authorities to the municipality with regard to the "Programs of the Overall Planing for Beijing's Urban Construction." Now, this draft outline is also submitted to the present session for examination and discussion.

### 1. Great Achievements in 1980's Have Laid Good Foundation for Development of 1990's

The "draft' outlines" first provide a simple review of the achievements scored by the capital during the 1980's, which have laid a good foundation for the development of the 1990's.

The 1980's was a decade in which the people of all nationalities throughout the country advanced with giant strides on the path of building socialism with Chinese characteristics in line with the principles and policies laid down since the Third Plenary Session of the 11th party Central Committee. And the 1980's was also a decade in which the capital scored great achievements and accumulated a wealth of experience in carrying out the socialist modernization. During this extraordinary period, the people of all nationalities throughout the

municipality firmly and unswervingly implemented the party's basic line, and comprehensively created a new situation in the capital's socialist modernization in line with the central authorities' instructions on the principle for the construction of the capital, and in line with the basic guidelines of the written reply given by the central authorities to the municipality on the "Program of the Overall Planning for Beijing's Urban Construction." As a result, the people of all nationalities in the municipality successfully fulfilled the Sixth Five-Year Plan and the Seventh Five-Year Plan one after another, and prefulfilled the first-step strategic goal of doubling the 1980 gross domestic product. In the early 1980's, the central authorities defined Beijing's nature as the political and cultural center of the whole country. Meanwhile, the central authorities set the demands of building Beijing into a city with the best social order, social security, social atmosphere, and ethics standards in the country and in the world; into a first-class city which is the cleanest and most beautiful in the country and which is comparatively good on the world-class; into a first-class city where science, culture, and technology develop most and educational degree is the highest in the country; into one of the world's most culturally developed cities; and into a city where the economy constantly becomes more and more brisk and the people's lives are convenient and stable. Now, this magnificent blueprint is being accomplished step by step.

A. The construction of the capital has developed rapidly in line with the overall planning, and the outlook of urban and rural areas has changed remarkably.

Since 1983 when the "Programs of the Overall Planning for Beijing's Urban Construction" was approved by the CPC Central Committee and the State Council, planning departments of the municipality have carried out a series of specific jobs, such as the planning for respective districts, the planning for respective specialities, the planning for detailed affairs, the planning for counties proper, the planning for boundaries of counties, and the planning for boundaries of townships. As a result, the urban and rural planning is becoming better and better and has become a guidance to development and construction of the municipality. At the same time, the confused and passive situation that planning lagged behind construction has been reversed, the layout of urban districts has been adjusted, the relations among different functional districts have been harmonized gradually, and the construction of the capital has been brought into line with the orbit of the overall planning.

The construction of some infrastructure facilities on which the municipality relies for existence, such as water supply, drainage, power supply, fuel gas, heat, roads, communications, and telecommunications facilities, was given first priority in urban construction and was developed fairly rapidly. During the past 10 years, the investment in these facilities totalled 15.84 billion yuan, two times that of the total investment 31 years ago. Compared 1990 with 1980, the water supply increased 32 percent and reached 2.151 million tons daily; the

designed power capacity increased 17.9 percent and reached 2,079 million kw; the rate of urban residents using gas for cooking rose from 62.5 percent to 84 percent; and centralized heating increased 186 percent and reached 16.10 million square meters. During the past 10 years, some 3,000 km of highways, including the Beijing section of the Beijing-Tianjin-Tanggu Expressway, the Beijing-Shijiazhuang Highway, and the Beijing-Kaiping Highway, were built, and 73 overpasses of various sorts were constructed; the telecommunications capacity raised rapidly. The domestic direct dialing telephone service might reach 767 cities and the international direct dialing telephone service might reach 185 countries and regions. Beijing has become the largest communications hub and information center of the whole country.

The scale of housing construction was unprecedented, and a new pattern of comprehensive housing development and unified construction was formed. During the past 10 years, 90.84 million square meters housing were completed, four and a half times the total housing area of Beijing municipality during the early post-liberation period. Large public buildings which manifested the great momentum of the political and cultural center of the capital, and various grades of tourist hotels to meet the needs of opening to the outside world and to international and domestic contacts, and some new educational, scientific, technological, cultural, public health, and medical facilities were commissioned one after another. A total of 50.718 million square meters of residential houses and 70-odd small housing communities were built. The construction of satellite cities and county seats took initial shape and some of them began to share the functions of urban areas.

In the course of modernization construction, the style and features of this ancient city were protected in a fairly good manner. Governments at all levels paid attention to treasuring historical and cultural relics and protecting the style and features of the ancient capital. Measures for protecting cultural and historical relics were greatly strengthened and the surrounding environment was improved. The protection work on the site of the "retreat" of the Lugouqiao Incident, the renovation of Dazhong Temple, the environmental protection of the relics of Zhoukoudian ape-man, the reconstruction of the Yunju Temple and Suzhou Street, the implementation of zoning protection for the road leading to the Ming Tombs, the renovation of the park at the Yuanmingyuan relics, and the protection work on Bantu Hill near the Temple of Heaven were all praised by the social public media.

Noticeable achievements were made in beautifying and making the urban and rural areas green and new progress was made in environmental construction. During the past 10 years, the urban areas built 188 green areas, thus raising the average per-capita public green areas from 5.14 square meters to 6.14 square meters. The tree coverage rate rose from 20.1 percent to 28 percent. By planting trees through aerial seeding in the suburban

areas, and by closing hillsides to facilitate afforestation, the tree coverage rate was raised from 16.6 percent to 28.2 percent. After 10 years of unremitting efforts, the capital has formed a tree-greening system of combining tree-planting in some spots with a network of forests. The project of planting ecological forests in "northwest, north and northeast China," the building of protection forests in the outer suburbs and remote mountain areas and economic forests in the near mountainous areas, and the building of farmland forest networks in the plain and green belts around and in the urban areas formed many protective screens and helped to noticeably alleviate the harm caused by wind and sand. This made us win the title of national "advanced city in planting trees in the plain and urban areas." Environmental protection gradually received attention from all sectors and became one of the important tasks of governments at all levels in their endeavor to do practical things for the people every year. The deterioration of water and air quality, and solid waste pollution was alleviated and initial improvement made in sound pollution. The masses of people strengthened their sense of environmental protection.

B. The economy suitable to the characteristics of the capital has continuously flourished, the strength of the comprehensive economy has shown an obvious increase. In line with the demands set for a political and cultural center, the municipality accelerated the development of the economy suitable to the characteristics of the capital, gradually readjusted the economic structure, and showed an obvious increase in total supply and demand. As compared with 1980, the municipality's gross domestic product in 1990 showed a 1.32 fold increase calculated in term of comparable prices and reached 49.6 billion yuan. Its national income showed a 1.1 fold increase and reached 36.18 billion yuan. The municipality prefulfilled the strategic target of doubling the GNP. Its financial revenues showed a 67.6 percent increase and reached 7.4 billion yuan.

The municipality achieved overall development in its rural economy and made great progress in specializing, commercializing, and modernizing its production. As compared with 1980, the municipality's total income for the rural economy in 1990 showed an 8.2 fold increase and reached 25.59 billion yuan and its total agricultural output value showed a 1.1 fold increase and reached 2.82 billion yuan. The municipality's projects of building production bases, particularly the bases of nonstaple foodstuffs production, began to take shape. The municipality obviously upgraded its level of mechanized farming operations and basically completed the projects of coordinating the infrastructures with the technical guarantee system. It has reaped a bumper grain harvest over the past 13 consecutive years. Its total grain output in 1990 showed a 42.3 percent increase and reached 2.646 billion kg. The municipality basically systematized its nonstaple foodstuff production and put such production into factory-like facilities. Its production in vegetables, meat, eggs, milk, poultry, fish, and fruit doubled that of 1980; its variety of products in these fields

increased; and the quality of such products was improved. Its town-run enterprises suddenly came to the fore and its total income offered by its town-run enterprises showed a 13 fold increase and reached 17.16 billion yuan, which has become an important and new force in the municipal national economy. The structure of the rural economy incurred an obvious change and more than a half of its rural labor force shifted their occupation to nonagricultural production. Associations between urban and rural areas and business jointly operated by both workers and peasants gradually increased. The integration between the urban and rural economy achieved prominent progress.

The municipality's industrial production rapidly increased and it accelerated the development of industries and trades suitable to the characteristics of capital. Compared with 1980, its total industrial output value showed a 1.6 fold increase and reached 56.2 billion yuan. The yearly average increase in this regard is 10 percent. The output of major products related to the state plans and the people's livelihood steadily increased and the municipality accelerated its pace in increasing the variety of new products. The standards of some products reached or were near those of advanced nations. Its readjustment of industrial structure and technical renovations were enhanced and the municipality completed building a large number of large industrial projects which have a strategic significance in economic development. Its speed in developing the electronics, foodstuffs, light and textile, printing, and motor vehicle industries, which are suitable to the characteristics of the capital, was faster than the average municipal industrial growth.

Tertiary industry, including commerce and service enterprises which are rendering direct services for production and for the people's livelihood, achieved development thanks to enjoying preferential treatment and those things distressing to the people's livelihood were somewhat improved. Compared with 1980, the gross domestic product accumulated by the tertiary industry showed a 2.9 fold increase and reached 18.58 billion yuan. The proportion of the municipal gross domestic product in the national gross domestic product increased from 26.8 percent in 1980 to 37.5 in 1990. The networks and centers of commerce, food services, and services showed a 6 fold increase; and the number of such networks and centers per every 10,000 people increased from 20.4 in 1980 to 121 in 1990. The phenomena which caused poverty in the past, such as unitary commodities, strained supplies, and conflicting purchases, were changed. Markets flourished and enjoyed brisk sales. The total retail sales of social commodities increased from 6.13 billion yuan in 1980 to 30.77 billion yuan in 1990, showing a 4 fold increase. The trades of banking, insurance, and material supply extensively expanded their business to more walks of the society. The new trades of information and consultation rose rapidly. All of these have created favorable conditions for the capital to better bring its urban function into play.

Tourism was vigorous, and the comprehensive capacity to receive tourists was markedly enhanced. By 1990, the municipality had 76 travel services, 1,701 hotels with 42,000 rooms, and 122 restaurants, with 34,000 rooms, specifically for tourists from abroad. These facilities provided conditions for further exploiting the capital's function as the international and domestic contacts center. Marked results were achieved in development and protection of tourist resources and in construction at scenic spots. Tourist commodities were becoming more abundant day by day, and tourism activities were varied and colorful. In the past 10 years, the municipality received a total of 7.875 million overseas tourists, earning \$3.75 billion in foreign exchange. The development of tourism brought about more employment opportunities, brought along the development of related trades, and promoted friendly contacts between China and other countries. Thus far, tourism has already become an important burgeoning economic category and foreign exchange earning enterprise of Beijing.

Foreign economic relations and trade developed rapidly. In the past 10 years, the total value of foreign export trade increased by 120 percent, with foreign exchange earnings from foreign export trade reaching \$1.23 billion in 1990. Meanwhile, 834 foreign-invested enterprises were initiated, with the foreign capital utilized reaching \$2.17 billion. The pace of technological import and the pace of increasing domestic goods were accelerated. New progress was made in the contracting of projects abroad, in labor service cooperation, and in overseas investment trade. The development of the foreign economic relations and trade shows that opening still wider to the outside world is an effective way to develop an economy suitable for the capital's characteristics, and thus has a very bright future.

C. Education and science and technology developed vigorously, and the capital's function as the cultural center was strengthened further. In the 1980's, the cultivation of talented persons and the scientific and technological progress became a guiding force to promote economic invigoration and social development. The strategic position of education was greatly enhanced, the role of science and technology as the primary productive force became increasingly obvious, and the undertakings of culture, public health, and sports thrived.

A gratifying and profound change took place in educational undertakings. All kinds of education developed steadily, the educational management system underwent initial reform, input in education increased constantly, the conditions for running schools improved notably, and teachers' living standard, remuneration, and social position went up gradually. The nine-year compulsory education proceeded smoothly, and the enrollment rate, attendance rate, and graduation rate of students of primary and junior middle schools were enhanced. A basic solution was given to the problem where urban residents found it difficult to send their children to kindergartens. By 1990, the student body of secondary

vocational and technical schools reached 139,000 persons, thus changing the long-standing situation of the unitary system of the senior middle school education. The student body of ordinary institutions of higher learning operated by the municipality reached 35,000 people, and these institutions have become major bases to provide senior specialized talents for urban and rural enterprises and establishments as well as organizations and groups. In the past 10 years, all kinds of adult schools provided training courses for some 10 million persons, and cultivated for the municipality some 400,000 graduates of specialized adult, higher learning, and secondary schools. The educational undertakings garnered increasingly great attention from the society, and the proportion of educational appropriations in the total expenditure of the local financial budget rose from 15.7 percent in 1980 to 20.1 percent in 1990, with its yearly average increase rate much higher than that of financial revenues. Under the situation of the sharp increase in the number of children of school age, the municipality adopted various measures to avoid the two-shift system among primary schools. The dangerous buildings of primary and middle schools left over from the past were all been repaired, a large number of schoolhouses were newly built, and a group of production training and social practice bases were built for institutions of higher learning. The various kinds of talented people trained by various schools in the past 10 years played an important role in building the capital's socialist modernization.

The achievements scored by the capital in building the socialist modernization has eloquently proved that measures adopted by the CPC in regarding economic construction as a center, upholding the four cardinal principles, and upholding the basic line of conducting reform and opening to the outside world, are totally correct; that the vast number of people are supporting the CPC's leadership and the socialist system; and that through the practice, the directive issued by the central authorities with regard to the guidelines of the capital's construction and the spirit of the approval made by the central authorities for the "overall plan" of Beijing urban construction are in conformity with the capital's reality.

The "proposal" raised by the CPC Central Committee with regard to formulating the 10-year program of the national economy and the Eighth Five-Year Plan has penetratingly summarized the 12 basic principles of building socialism reflecting the Chinese characteristics. These principles indicate that efforts should be made to uphold the people's democratic dictatorship; to regard the development of productive forces as a fundamental task; to continuously improve the socialist systems through reforms; to steadily broaden the opening policy; to uphold the ownership structure with the center of socialist public ownership and the coexistence of various economic compositions; to develop the socialist, planned, and commodity economy; to enforce the distribution system with the center of conducting distribution according to work and with the supplement of other

distribution forms; to build the socialist spiritual civilization; to establish or develop the socialist nationalities relationship of equality, mutual assistance, unity, cooperation, and mutual prosperity; to promote the reunification of the motherland in line with the design of "one country with two systems"; to uphold the foreign policy of independence, self determination, and world peace; and to uphold the CPC's leadership. These principles are the crystallization of the wisdom of the people across the country and have a generally guiding significance in the capital's program of building the socialist modernization. In view of its special position and its experience over the past many years, it is particularly necessary to stress the following tasks in Beijing, the capital of the country:

First, we must uphold the ideological line of seeking truth from facts, emancipating minds, proceeding from reality, and integrating theories with reality; and must take into consideration the country's conditions and the capital's characteristics while conducting reform and construction. Seeking truth from facts represents the practical spirit of Marxism and the basic guiding ideology of defining targets to fight and formulating principles and policies. The practice conducted over the past 10 years has shown that while upholding this ideological line and proceeding from the conditions of the country and municipality to formulate plans, implement policies, and handle problems, we are certainly able to create a new situation in conducting reform and opening to the outside world and achieving great development in building modernizations. If we are divorced from this ideological line, we will certainly commit faults and encounter setbacks.

Second, we must uphold the four cardinal principles and resolutely safeguard the capital's political situation of stability and unity. The important directive issued by the CPC Central Committee with regard to the capital's construction guideline clearly points out that "the capital is the political center of the country as a whole, the country's nerve center, and the center maintaining popular morale and party morale." The stability maintained by Beijing not only has a vital bearing on its own development but also has an extremely important significance for the country as a whole. The up-and-down struggles of ideological and political fields, which have been waged during the 10-year period, and particularly the political disturbance which occurred in 1989, have shown that the bourgeois liberalization which negates the CPC's leadership and the socialist systems represents the biggest of various unstable factors and the political and ideological sources which may give rise to disturbances. Therefore, we must keep a cool head; persistently conduct education on upholding the four cardinal principles; wage struggle against bourgeois liberalization by taking a clear-cut stand; and guard at all times against the infiltration, subversion, and "peaceful evolution" by both domestic and foreign hostile forces. In handling this issue, by no means should we adopt an indifferent attitude nor give concession and compromise to them.

We will certainly achieve nothing without a stable situation. The unstable situation in Beijing will certainly and adversely affect the whole situation in the country. Therefore, we must proceed from the situation in the country as a whole, fully discern the extreme importance of the capital's stability from the high plane of paying attention to the future and fate of socialism, and safeguard the capital's political situation of stability and unity as we would our own eyes.

D. On the basis of economic development and social progress, the living standards of urban and rural residents improved noticeably.

In 1990, the per capita income of urban residents available for living expenses amounted to 1,787 yuan, and the per capita net income of peasants amounted to 1,279 yuan, showing an increase of 67.5 percent and 200 percent respectively over the 1980 figures after allowing for price rises. The living standards of peasants in remote mountainous areas in the frontier were also improved greatly. A marked change took place in the consumption level and structure. In food consumption, there was a tendency to seek more variety, higher quality, and better nourishment. Clothing commodities consumed by the people became increasingly diverse. Large durable consumer goods were gradually popularized. In 1990, each 100 urban households owned 91 color television sets, 96 refrigerators, and 93 washing machines; and each 100 peasant households owned 94 color television sets, 23 refrigerators, and 63 washing machines. Urban residents' expenses in cultural livelihood increased by 270 percent over the 1980 figure.

Housing conditions improved somewhat. The per capita housing area of urban residents rose from 4.8 square meters in 1980 to 7.7 square meters in 1990, thus solving housing problems for some 900,000 households. The project of rebuilding dangerous and old houses in urban areas had already started and was undertaken step by step. The per capita housing area of peasants rose from 10.1 square meters in 1980 to 20.6 square meters in 1990. The interiors of houses were also improved.

The social guarantee system was established initially. Relatively great progress was made in social welfare services, social insurance services, allowances to the family members of revolutionary martyrs, and comprehensive services to residential zones. Services for the handicapped attracted the attention and support of the whole society. Unemployment of urban youths was basically solved. The unemployment rate dropped to 0.5 percent. Thanks to the improvement in the living environment and nourishment and thanks to the endeavors of medical workers, the people's health level improved particularly, with men's average life-span reaching 70.8 years, and women's average life-span reaching 74.2 years, both approaching the level of developed countries.

E. The building of the socialist spiritual civilization and the democratic legal system embarked on a new level, and political stability and unity was consolidated and developed.

In the 1980's, the capital's building of socialist spiritual and material civilizations witnessed a relatively great progress, and became a motive power to promote the capital's construction, reform, and opening-up. The socialist democracy was further systemized and institutionalized. The authority of the socialist legal system was gradually strengthened in every sphere. The municipality strengthened the building of the socialist spiritual civilization, by focusing on bringing up a new generation of people who are politically aware, morally sound, well-educated, and disciplined, and on strengthening ideological and political education and education on morals and ethics. In the past 10 years, the municipality conducted education among all its people on persisting in the four cardinal principles and the ideological and political education on patriotism, socialism, collectivism, and communism. The municipality also conducted in a sustained manner various forms of activities for building the spiritual civilization, such as the activity of "five stresses, four points of beauty, and three ardent loves," the activity of "being civilized citizens, creating civilized units, and building civilized cities," the activity of "learning from Lei Feng," and the "army-civilian joint activity." As a result, a large number of advanced collectives and individuals emerged. In line with the demand of developing the socialist planned commodity economy, the municipality strengthened education on social morality, professional morality, and discipline, and advocated the spirit of dedication, thus enhancing the people's senses of honor and responsibility in building and defending the capital.

We conducted the education on the current situation in the nation and the municipality in a well-planned manner, and further helped the people strengthen the sense of national pride and understanding of the capital. We enjoyed the support of the vast number of people by extensively waging the struggle against "pornography" and "six evils," and were encouraged and praised by society for our positive, progressive, and enterprising spirits and our civilized, healthy, and scientific living methods.

Socialist democracy was further carried forward. Governments at various levels conscientiously implemented the resolutions of the People's Congresses at various levels; persistently presented their reports to the People's Congresses and their Standing Committees for supervision; and persisted in the system of conducting democratic consultation with the CPPCC, democratic parties, and mass organizations to extensively hear their opinions and to accept their criticisms and supervision. Over the past 10 years, we handled and answered 18,882 motions, proposals, criticisms, and suggestions made by deputies to the NPC and the municipal People's Congress and members of the national CPPCC Committee and the municipal CPPCC committee; and ensured upgrading the quality of handling motions and proposals of various categories with each passing year. We further paid attention to the work of accepting visitors and handling incoming letters from the masses. It also

became a key channel through which the governments at various levels heard the opinions of the people and helped them eliminate worries and difficulties. Setting up networks of special direct telephone lines to hear the voices of the masses and to accept supervision by the masses have taken preliminary shape. Enterprises and establishments set up, in a step-by-step manner, the democratic management system. The grass-roots democratic autonomous organizations, including the urban dwellers' committees and the rural villagers' committees, were further strengthened.

Noticeable headway was made in the socialist legal system. In the past 10 years, 548 rules for local People's Congresses and administrative rules by the municipal government were submitted to the municipal People's Congress Standing Committee for examination and approval. Governments at various levels and their work departments established and perfected the legal system organizations, expanded the legal system worker contingents, carried out the administrative law enforcement system and the system of supervision over the enforcement of administrative law, and further upgraded the legal administration level. The education on popularizing the general knowledge of law was extensively launched. Thus, citizens further strengthened the sense of the legal system. We persisted in the people's democratic dictatorship, strengthened the overall improvement of social order, strictly dealt blows to serious criminal offenders and economic criminals according to law, and guaranteed the smooth progress of the capital's modernization. Through the grim trials of the struggle for ending the turmoils and suppressing the counterrevolutionary rebellions as spring turned to summer in 1988, the people across the municipality deeply understood the great significance of adhering to the four cardinal principles, further cherished the hard-gained stable and united situation, and ceremoniously celebrated the 40th anniversary of the founding of the PRC amid an atmosphere of victory. Beijing won a gigantic victory in convening the 11th Asian Games in the autumn of 1990. This not only established Beijing in the history of sports with the achievements gained in the 11th Asian Games, but also showed the world our country's gigantic achievements in reforms and opening itself to the outside world. Through the convocation of the Asian Games, the vast number of the people have strengthened their sense of national pride and cohesion and enhanced China's international prestige. "Beijing's Asian Games spirit" of "loving the Chinese Nation, winning honor for the country, making selfless sacrifices, being united, conducting cooperation, and fighting indomitably," that was formed through the Asian Games, has become a powerful force for promoting the material and spiritual civilizations of the capital.

Science and technology entered the main battlefield of increasing modernization, and the municipality accelerated the process of turning scientific research results into productive forces. Both the number and level of scientific research results were upgraded and a many results

measured up to international standards. Organizations jointly run by the scientific research institutions and production units came to the fore on a large scale. The scientific research institutes and units entered the economic field through various channels. The "Spark Plan," the "plan" of making industrial technology flourish, the "plan" of urban construction and management and of developing science and technology, the "plan" of popularizing the scientific and technical results, and the "Torch Plan," which were initiated during the Seven Five-Year Plan period, have played an important role in the capital's urban and rural construction. In the experimental zone of developing new technical industries, which is the country's first zone approved by the State Council, the associations of high and new technology industrial enterprises with multiple sciences and categories of production have been initially established. This has exerted vigorous vitality in promoting research and the application of high and new technologies. The municipality also achieved new development in the research of social science.

Cultural undertakings became increasingly prosperous. A large number of exhibition halls, museums, libraries, cultural centers, and archives were built and put into operation. The departments of journalism, radio and television broadcasting, and publications made new progress. The capital's literary and art circles became bright and colorful and successively presented the outstanding dramas of "Tian Xia Di Yi Guan," "Hua Long Dian Jing," and "Sheng Shi Xing." The television series of "Shi Shi Tong Tang," "Kai Xuan Zai Zi Ye," and "Ke Wang" not only enjoyed a good reputation in the capital but also were well received by many provinces and cities throughout the country. The television series drama "Tong Xin Qu" which had built a bridge between the government and the masses through its artistic form, and "Yuan Ming Cang Sang" which had been applied as a teaching material for patriotic images, drew great many people's attention throughout society. The mass cultural activities, including temple fairs and lantern festivals, became very active. The performances presented at the opening and closing ceremonies of the Asian Games and at the artistic festival, which had integrated in an organic way outstanding cultural traditions with the modern art, won general acclaim both at home and abroad.

The municipality made new achievements in public health undertakings. The number of hospitals in 1990 reached 512, a 30.3 percent increase over 1980; and that of patient beds reached 59,000, an 81.9 percent increase over 1980, which somewhat relieved the "difficulties" of seeing a doctor and supplying beds for patients in hospitals. The medical equipment was steadily improved and the levels of medical technologies and scientific research were relatively upgraded. By upholding the "principle" of taking the prevention work as the main aim, the municipality effectively brought various epidemic situation under control. The death rate of babies and the incidence rate of epidemic diseases declined on a large scale. The rate of having babies take four vaccines

obviously increased. The municipality initially established medical, public health, and health-care networks at all levels. The work undertaken by the Red Cross society became very active. The patriotic sanitation campaign conducted by the masses achieved new development. The municipality made great progress in building its facade and improving its sanitation and was commended in 1990 as one of the 10 cities outstanding in public health across the country. The achievements made in the family planning work were obvious. The birth rate decreased from 15.56 per thousand in 1980 to 12.43 per thousand in 1990, and targets of appraising the family planning results were presented in the front row of the country.

The undertakings of physical culture and sports steadily made development. The newly built or expanded 33 stadiums, gymnasiums, and the Asian Games Village, which have perfect function and are well equipped, have provided conditions for Beijing Municipality to qualify to sponsor large international comprehensive games. All sports games held in the municipality have enhanced the training of reserve forces and the unified construction among scientific research, training, and teaching personnel, as well as steadily upgrading the sports level. Over the past 10 years, the healthy sportsmen of Beijing Municipality have won 1,971.5 gold, silver, and bronze medals among the major international events; the mass sports activities have been further enriched and popularized.

Third, we should unswervingly promote reforms and opening up. Reforms and opening up means the development and perfection of the socialist system and is the only way to develop all undertakings in the capital. Over the past 10 years, we have conducted a series of reforms in line with the principles and policies of the central authorities and in accordance with the distinctive features of Beijing's development of productive forces. Under the premise of persisting in taking the public ownership economy as the main body, we have appropriately developed the individual and private economic sectors as a supplement and have changed the single form of ownership. In economic management, we broke with the ossified system of exercising excessive and rigid control, and reformed the organizational form and management mode. In agriculture, we let the development of collective economy play a dominant role, and universally promoted a rational scale of production and various forms of the output-related contract responsibility system. Industrial and commercial enterprises and some operational units, and scientific research institutes implemented various forms of the contract responsibility system in management such as the system of "two guarantees and one linkup" and the system of "three guarantees and one linkup." Departments in charge of comprehensive economic work gradually changed their functions from directly regulating and controlling the economy to one of applying economic, administrative, and legal means to indirectly regulate and control the economy, narrowed the scope of the mandatory plan,

and expanded the guidance plan and the role of market regulation and control. We initially reformed the irrational price system, developed various sorts of commodity markets and markets for the essential factors of production, delegated some financial management powers to the lower levels, established the financial contract management system at various levels, and expanded the powers of districts, counties, townships, and towns. On the basis of invigorating enterprises, we conducted reforms of varying degrees in such aspects as banking, tax revenue, foreign trade, material, labor, personnel affairs, and wages. At the same time, we actively explored ways to reform the political system and the management system in the scientific, technological, educational, and cultural spheres. Under the premise of persisting in self-reliance, we actively promoted the open policy and enabled economic and social development to have new vitality and the capital's international contacts and activities to become unprecedentedly active. All these have played an important role in establishing the new system of the socialist planned commodity economy and promoting the development of social productive forces.

Fourth, we should adhere to the basic spirit of the central directive on the principle of building the capital and the reply issued by the central authorities on the "Beijing urban construction overall planning program." Beijing's urban and rural construction and the development of all undertakings must be submitted to and manifest the demands of the city nature of being a political and cultural center and must create increasingly good conditions for the central authorities to lead the work of the whole country, for conducting domestic and foreign contacts and for the work and livelihood of the people throughout the municipality. In line with this central task, we must submit urban and rural construction to unified planning, make "the urban and rural areas jointly control this 16,800 square km of land," persist in integrating economic efficiency with social and environmental benefits, and combine the efforts to protect the style and features of the ancient capital with the building of a modernized city; strictly control the population scale, and do a good job in the layout of population; adhere to the principle of "building underground facilities first and then ground facilities," and give priority to the development of urban infrastructure facilities; break with the closed-state pattern of carrying out construction separately and going one's own way, and follow the path of comprehensive development and carrying out supportive construction projects; rationally readjust the economic pattern and production set-up, combine the development of economy that fits the characteristics of the capital with the reorganization and transformation of the original industries we have, and realize coordinated development in the urban and rural areas; persist in giving priority to developing science, technology, and education, promote comprehensive progress in all social undertakings, and exert efforts to build the capital into a socialist, modernized and first grade city of the world with Chinese characteristics.

Fifth, we must persist in the principle of developing the national economy in a sustained, steady, and coordinated manner, and the principle of regarding the optimization of economic structure and the improvement of efficiency as the focus of the entire economic work, in line with the characteristics of the capital. Positive and negative experiences gained from Beijing's economic construction profoundly show that proportionate and coordinated development is the foundation for the sustained and steady development. When developing the economy in such a large city like Beijing, which contains more than 10 million population with permanent residents and a more than 1 million floating population, we should pay all the more attention to the overall balance of the economy, to the rationalization of economic structure, and to the harmony of relations in various fields. Proceeding from the conditions of the municipality, we should correctly handle the relations between social supply and social demand, between materials production and population growth, between employment posts and labor resources, between economic construction and social development, between the infrastructure and other facilities, and between the tertiary industry and the primary and secondary industries. By so doing, we will make economic development more suitable for the nature of the municipality as a capital, basically maintain a protracted and sustained increase in the economy, avoid major ups and downs, and create a path characterized with less input, more output, high quality, and high efficiency.

Sixth, we must persist in the principles of self-reliance, arduous struggle, and thrift and hard work. Beijing is a large developing city, and thus its standpoint of realizing the socialist modernization can only be placed on the basis of self-reliance. We must organically combine the utilization of foreign capital and technology import with the expansion of the municipal economic strength and the enhancement of the self-reliance capacity. Not only at present, and even in the future when our economy is beefed up, we should also protractedly persist in the spirit of building an enterprise through arduous effort and the spirit of building up the country through thrift and economy, and should strive to overcome the phenomenon of extravagance and waste in every sphere.

Seventh, we must persist in the principles of fully carrying forward the socialist democracy and administering the municipality according to law. Experiences in the past 10 years show that all correct policies are the results of coming from the masses, going to the masses, and fully carrying forward the socialist democracy. Only by listening to the opinions of the masses in the process of making policy decisions, will it be possible to mobilize the enthusiasm of all fields, to turn correct policy decisions into the actions of the masses, and to implement correct policy decisions in a down-to-earth manner. Government working personnel at all levels, with leading cadres in particular, is not only a question of whether or not they make policy decisions in a democratic and scientific manner, but is also a world-view question of

whether or not they can really consider themselves as public servants while considering the masses as the masters of the history. The development in the past 10 years also prove that perfecting the socialist legal system and administering the municipality according to law are a reliable guarantee for building material and spiritual civilizations. Only by establishing a perfect legal system and implementing the system in a strict manner will it be able to ensure the sound development of urban and rural construction.

Eighth, we must persist in the principle of taking charge of material and spiritual civilizations simultaneously. Building the socialist spiritual civilization is not only our major objective, but also an important guarantee for promoting the building of material civilization. As far as the capital is concerned, this is of all the more special and important in significance. In the central authorities' instructions on the principle for the construction of the capital, the building of Beijing's spiritual civilization has been emphasized specifically. The instructions demand that Beijing should be built into a city with the best social order, social security, social atmosphere, and moral atmosphere in the whole country and even in the whole world. Only by firmly and unswervingly following the instructions of the central authorities will it be possible for us to build the capital into the "best area" of spiritual civilization in the whole country, and to score even greater achievements in the building of material civilization.

In the past 10 years, the capital made great achievements in socialist modernization. This has provided us a good foundation for realizing the second-step strategic goal. Meanwhile, we should clearly understand: We will be confronted with many difficulties in the course of advance. We still lag behind when compare our work with the central authorities' requirements for the construction of the capital, and with the aspirations of the people of the whole country and Beijing. We still have some shortcomings and mistakes in the construction of the capital and in the process of reforms and opening to the outside world. Major indicators were as follows:

a. Population increased at an excessively rapid rate. Although we exerted great efforts to control the population natural growth rate, the total population still surpassed the target of keeping the population around 10 million by the end of this century as set forth in the central authorities' official written reply to the overall program for the construction of the capital due to our failure to control the increase in the population moved from other places, the decentralized population management rights, and the fact of each unit acting on its own policies. Simultaneously, the municipality did not effectively adopt persuasive and management measures toward the population with permanent residence registration moving to other places, and registered an excessively rapid increase in the floating population.

b. There were no sufficient water resources. The per capita share of water resources was only equal to one

sixth of the national average figure and one twenty-fifth of the world average figure. Although we have done a lot of work in opening up new water sources and economizing on use of water, we still need to increase the water reusage rate and the phenomena of wasting water is still serious. It is necessary to firmly attend to the implementation of the plan for opening up new sources.

c. The existing urban infrastructural facilities could not satisfy the needs. This extremely restricts the development of urban modernization. A considerable number of urban infrastructural facilities are operating over capacity. Many underground pipelines become old. The municipality has great hidden trouble because there are no sufficient fire, explosion, and disaster control facilities. The traffic problems in the urban areas become increasingly more prominent with each passing day. Now, the municipality has more than 400,000 motor-driven vehicles and more than 800 non-motor-driven vehicles. Although the ground traffic is extremely jammed, the underground traffic construction fails to catch up with the demands of development. We have to exert great efforts to improve the garbage, water, and air pollution.

d. The consequences brought about by being impatient for success in economic construction have not been eliminated yet. The long-term contradictions that total demand exceeds total supply have been alleviated through the improvement of the economic environment and the rectification of the economic order in the past two years, but the economic structure should further be readjusted. Some enterprises, particularly large- and medium-sized enterprises, fail to enliven their economy, make poor economic results, and do not have sufficient reserve strength. Obstructed by the sluggish market and "debt chains," increasingly more enterprises suffer losses.

e. The tertiary industry in service of production and people's livelihood does not suit the position and the economic and social development of the capital. There are no sufficient service facilities. The service facilities' regional distribution and inherent standing structures are not reasonable. The problems of inconvenience that people find in their livelihood have not been solved yet. We still have a long way to go in order to suit the central authorities' goals of building the capital into a city where the people are provided with convenient living conditions.

f. A considerable number of urban dwellers still have serious housing difficulties. In the past years, the municipality built a large number of houses to solve some dwellers' housing problems. The excessively rapid population growth rate, division of families, the failure to reform the system for distributing houses on the low rent and welfare basis, and lack of housing construction funds have brought about difficulties in solving these problems. From now on, we must exert great efforts to solve them.

g. Construction funds were seriously inadequate, and the burden of financial subsidies was very heavy. Owing to the shortage of funds, some major projects related to the overall situation of the development of the municipality, covered by the overall planning, have not yet started after being stalled for a long time, and many urgent construction projects could not but be delayed. However, financial subsidies increased year by year, increasing from 490 million yuan in 1980 to 4.5 billion yuan in 1989. Although we tried every possible means to check the consecutive swelling of subsidies last year, the burden remained very heavy.

h. Reforms have not yet been carried out in a coordinated manner. New economic structure and operating mechanism have not yet been formed. The overall regulatory and control means of comprehensive economic departments have been far from perfect; the pricing relations have not yet been rationalized; the superiority of opening to the outside world has not been fully exploited; and the problem of unfair distribution is still in need of the method of solution.

i. In carrying out the modernization drive, we have neglected ideological and political education for a long time, and committed the mistake of stressing economic work but neglecting ideological and political work. Although such a situation has witnessed a turn for the better since the fourth session of the 13th party Central Committee, some problems have not yet been solved completely, and protracted and unremitting efforts are still needed to eliminate the influence from bourgeois liberalization.

j. Social order has not yet been improved. Some unlawful and criminal phenomena which had already been eliminated in the past, such as prostitution and gambling, have revived, and are spreading. Robbery and other criminal cases increased, and the incidence of vicious cases is still rising. And our means of preventing, cracking, punishing, and dealing blows to criminal cases still lag behind the new situation of struggle. To ensure that the people will live and work in peace and contentment and will fully execute their democratic rights, the people's democratic dictatorship must be strengthened further.

k. The problems of overstaffing, miscellaneous procedures, and work inefficiency existed in governments at all levels at varying degrees. A portion of government functionaries are divorced from the masses and reality. A small number of cadres have neglected their duties, abused their powers for personal gain, and even indulged in embezzlement and bribery, and violated law and discipline. Unhealthy trends of departments and trades have not yet been corrected in quite a few fields, and thus are severely criticized by the masses.

We deeply feel that all sorts of difficulties and problems facing the capital's modernization drive cannot be thoroughly solved in a short period of time. To build Beijing into a modernized socialist capital in line with the

guidelines of the instructions of the central authorities, the protracted and unremitting efforts of several terms of governments and several generations of people are needed. If our governments at all levels and all our working personnel can consciously enhance their sense of public servants, do not divorce from the masses at any time, conscientiously listen to the opinions of the masses, accept the supervision from the masses, and actually make policy decisions in a democratic and scientific manner, we will be able to more fully mobilize the initiative of the masses, depend on the masses to overcome difficulties, reduce errors in work, commit fewer mistakes, and fulfill the responsibilities entrusted on us by the masses in an even better manner. In particular, the problems of administrative dishonesty and slackness should be investigated more seriously and be resolutely corrected. This is the only way to live up to the expectations and heavy trust of the people.

The achievements in various construction undertakings of the capital in the past 10 years were all achieved under the cordial concern and leadership of the CPC Central Committee and the State Council and under the direct leadership of the Beijing Municipal CPC Committee; and were the results of the concerted efforts, arduous struggle, and pioneering work of the people of all nationalities in the municipality. Here, on behalf of the municipal government, I extend my heartfelt thanks to the people of all nationalities in the municipality who have contributed their efforts to building the capital on various fronts, and to the central units stationed in Beijing, the People's Liberation Army stationed in Beijing, and various fraternal provinces, municipalities, and autonomous regions that have supported various construction undertakings of the capital! I also extend my heartfelt thanks to our compatriots in Taiwan, Hong Kong, and Macao and the Overseas Chinese residing abroad who have supported the construction of the capital! I also extend my heartfelt thanks to all foreign friends that have got along well with us and closely cooperated with us!

## 2. Targets and Important Tasks for Developing the National Economic and Society in the 1990's

The 10 years at the end of this century is a crucial period in the Beijing historical course of building the socialist modernization. The municipal 10-year program (draft) of the national economy and social development and the Eighth Five-Year Plan (draft) have clearly pointed out that general demands set in the second-phase strategic target are as follows: The levels of modernization program in both urban and rural areas will be obviously upgraded, its functions of political and cultural centers will be further enhanced, effects scored in readjusting the industrial structure will come out obviously, the quality of the national economy as a whole will be further improved, and the people's livelihood will reach the better-off level and some areas in the living standard should reach the level at an early date. Major targets fulfilled by the end of this century are as follows: Based on increasing the economic results, the gross domestic

product will quadruple that of 1980, which is calculated in terms of comparable prices; an economic structure suitable to the capital's characteristics will be basically formed; various service facilities for the modernization program will be coordinated in a relatively complete way; the tasks of making scientific and technological progress and of training talented personnel will become the decisive factors in the capital's program of building the socialist modernization; economic systems and operation mechanism suitable to developing the socialist, planned, and commodity economy as well as to the integration between the planned economy and market regulation will be initially established; various social undertakings will achieve overall progress; the socialist democracy and legal systems will be further improved; and the program of building the socialist spiritual civilization will reach a new level.

To fulfill the aforementioned fighting targets, the "outline (draft)" stresses the following tasks:

A. We should further readjust the economic structure, orient the economic work onto the track with the center of increasing economic results.

In line with the state industrial policies and the capital's characteristics, further readjusting the economic structure represents an important measure of increasing economic results and enabling the national economy to achieve sustained, stable, and harmonious development; and also an important task of improving the economic environment and rectifying economic order. In the coming 10 years, particularly during the Eighth Five-Year Plan period, we must firmly grasp this link and make greater progress in the work.

Vigorously developing agriculture and further upgrading the levels of specializing, commercializing, and modernizing agriculture represent important aspects undertaken by the municipality in readjusting its economic structure. Beijing is a city with a "large urban area" and "small suburban districts," however, these smaller districts have played a decisive role in helping the larger urban area develop its economy and stabilize its society. The capital will certainly become prosperous and stable with the "rice bags" and "vegetable baskets" full to the brim as well as with the ample supplies of markets. Therefore, we should also regard agriculture as a basis and refrain from ignoring the agricultural development in suburban areas at all times. In the coming 10 years, we must emphasize the work of consolidating or developing agricultural production bases, building infrastructures, and successfully and extensively process farm and sideline products; and must upgrade in an overall way the comprehensive capability of agricultural production. In conducting grain production, we should uphold the "principle" of stabilizing the sowed acreage of grain crops, emphatically promoting the per unit yield, and increasing the total output; and should enhance the development of medium-and-low-yield farm fields to

maintain a stable increase in grain production. In conducting nonstaple foodstuff production, we should further build the production bases of modern and intensive processing; increase the variety of crops; and ensure the sufficient, multiple, and stable supplies of "vegetable baskets." To promote the stable development of suburban agriculture, it is imperative to increase the input; to ensure the supply of the means of production; and to improve the systems of encouraging collectively run enterprises to accumulate funds and of rendering services for production preparations, production operation, and the aftermath of production. Efforts should be made to uphold the "principle" of having science and technology make agriculture flourish, to adopt the advanced technologies, to train specialized and talented personnel, and to enable the agricultural development to shift its decisive factor from the volume of consumed major elements of production to the standard of relying on science and technology to upgrade the agricultural labor productivity.

It is Beijing's major characteristic that mountainous area accounts for 62 percent of its total area. We should further accelerate the construction of mountainous areas. In particular, we should adopt every possible means to support the economic development of remote mountainous areas where production is rather backward, work out plans for the "project for eliminating poverty and achieve prosperity" for suburban mountainous areas, improve the productive forces of these areas, narrow their difference from plain areas so that they can achieve prosperity gradually.

The focus of the capital's economic restructuring is to rationalize the structure and geographical distribution of industries and develop those that suit the characteristics of the capital. In the next 10 years, we will continue to renovate and will resolutely never newly develop the industries that consume large amounts of energy, water and raw material resources, require large amounts of land and transport capacity and cause serious pollution. We will emphasize development of the industries that produce high-grade, precision and advanced products, are technology-intensive, have high added value and create high economic results. We should place electronic industry in the lead and give prominence to it. This is the key for us to renew industrial production equipment on a large scale, improve the industrial grade and catch up with and surpass the advanced levels of the world. We should further develop the light vehicle industry to lead the development of other related industries. We should develop food, light industry and textiles, printing and medical industries, with the focus on improving the quality and increasing the variety of their products. We should adopt advanced technology and equipment to renovate metallurgical, chemical, machinery and building material industries. We should further adjust the geographical distribution of industries in line with the overall plan. We should continue to adjust, improve and move to other places the industrial enterprises in the city proper that cause pollution to the annoyance of the

people; develop more industrial enterprises more rapidly in outer suburbs; and further develop township industrial enterprises in line with the principle of "opening wider to the outside, giving attention to adjustment, raising efficiency and promoting development." After 10 years of hard work, we should strive to establish a new type of industrial system that suits the urban nature of the capital and is conducive to the performance of the functions of the city and to the integration of the urban economy with the rural economy. Construction industry is an important pillar industry in the economic development of the capital. In the next 10 years, we should continue to step up efforts to improve the workers' contingent of the construction industry, optimize its management system, enhance its capacity for self-development and for coping with changes and ensure its construction quality. Meanwhile, we should actively participate in the competition of domestic and foreign construction markets and raise our technological and management levels and economic efficiency in the process of the competition.

The development of the tertiary industry that serves production and the people's life is an important yardstick to measure the modernization of the city and also the industry that should be supported and greatly developed continuously in the next 10 years. We should not only develop the traditional trades, such as commerce, catering, service and repair, open up more shops, pool efforts to build a number of large- and medium-sized department stores and large farm and sideline product wholesale markets that serve numerous purposes and are equipped with advanced facilities and establish at the municipal and district levels several modern large- and medium-sized shopping centers and multi-purpose service shops. But also, we should open up new fields in the development of the banking, insurance, real estate, material supply and tourist industries. In addition, we should actively develop such burgeoning industries as information and consulting industries and gradually establish a tertiary industry system that serves the capital, is geared to the needs of the whole country and is equipped with complete facilities. We plan to increase the proportion of the tertiary industry in the gross domestic product from 37.5 percent in 1990 to approximately 45 percent by the end of this century.

Positively readjusting the product mix according to the demands of the markets at home and abroad is the basic principle for developing the production of commodities as well as one of the effective measures for enlivening enterprises. From now on, we should vigorously develop and produce new products according to market demands, particularly products suitable for the capital's special characteristics. We should produce products with vast prospects, including computers and some electronic products, vehicles, numerically controlled machine tools, light and textile industrial products, and high- and medium-grade foodstuffs. We should produce products through intensive processing by metallurgical, chemical industrial, and building material trades, tourist commodities, and fresh farm and sideline products made in

the rural areas. We also should support the production of these products with funds, goods and materials, and energy resources. Readjusting the organizational structure of enterprises and promoting the reorganization and cooperation of enterprises is a major measure for promoting the readjustment of the industrial structure and the product mix; realizing the reasonable distribution of such production factors as the means of production, funds, technologies, skilled personnel, and management; and increasing economic results on a large scale. From now on, we should promote management cooperation, share-holding, contracts, and leasing between urban enterprises, between urban enterprises and town and township enterprises, between the enterprises in and outside the municipality, and between enterprises and scientific research institutions. We should continue to vigorously develop new technology enterprises and enterprises involving foreign capital, positively set up enterprise associations, and make enterprises' organizational structure become more reasonable and make enterprises supplement their shortcomings with others' strong points.

Relying on scientific and technological progress is a fundamental method for upgrading economic results. In the next decade, we should give full scope to the capital's scientific and technological advantages, cooperate in tackling scientific and technological problems, and eliminate scientific research, production, and technological difficulties. State-owned large- and medium-sized enterprises and enterprise associations should adopt various forms to establish their town scientific research organizations and scientific research bases so as to strengthen their self-development and technological transformation abilities. It is necessary to gradually set up a new mechanism of relying on scientific and technological progress to upgrade economic results, to further increase the targets of scientific and technological progress, and to make enterprises develop and modernize themselves. Meanwhile, we should positively bring in foreign advanced technologies and equipment and accelerate the pace of using, assimilating, and domesticizing foreign advanced technologies and equipment. Strengthening the optimum distribution and reasonable utilization of natural resources; trying every possible means to save water, energy resources, and raw materials; and increasing the benefits from utilizing natural resources is a long-term principle to increase economic results. From now on, we should make efforts to adopt technologically advanced, water- and energy-saving equipment and technologies to build new projects and transform old enterprises. Simultaneously, it is necessary to perfect the system of assessing the consumption of energy resources and water for producing products. All trades and professions should deeply and constantly launch the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures; strive to save raw materials, reduce consumption, upgrade the utilization rate of goods and materials; and strengthen the withdrawal and overall utilization of old and waste goods and materials. We should make efforts to ensure that larger

portions of the increased GNP will be realized by relying on technological progress and reducing energy consumption in the future.

Strengthening scientific management is a key link in increasing economic results. Low management level is a major problem in the economic construction. We must be very determined to solve this problem. With planning departments playing a leading role, the overall economic management departments, including planning, statistical, financial, tax, banking, pricing, supply, labor, and industrial and commercial administrative departments, should strengthen mutual cooperation. They should develop and perfect in a timely fashion relevant policy measures according to the requirements for readjusting the industrial structure, the product mix, the enterprise organizational structure, and the technological structure. Meanwhile, the auditing and technological supervision departments should strengthen their role in supervising the economic work to promote an increase in macroeconomic results. All enterprises should exert great efforts to establish and perfect the inherent contracted responsibility system, assign technological and economic targets and management duty to each level, and also carry out a system for assessing the assigned work. The key to strengthening management hinges on upgrading the ideological, cultural, and technological quality of enterprise personnel. Simultaneously, we must strictly enforce discipline and establish a good production order. Through efforts, we should strive to ensure that large- and medium-sized key enterprises' economic targets, particularly their major economic result targets, attain the national advanced levels. We should strive to help small and medium-sized enterprises and town and township enterprises upgrade their management levels.

B. We should further raise the modernization level of urban and rural areas and strengthen their function of serving the political and cultural center. The "draft outlines" point out that in the next 10 years, we should further raise the modernization level of urban and rural areas, effect a marked change in their outlook and provide them with complete modern service facilities so as to lay a solid foundation for building Beijing into an international city where the style and features of an ancient capital coordinate with the characteristics of this era to develop a city which is clean, beautiful, ecologically perfect, economically developed and highly civilized.

Based on the experiences in the 10 years of practice and the new situation in urban development, we should properly adjust the plans and layouts for urban development and revise and formulate as soon as possible the "program for the overall Beijing urban construction plan." We should do a better job in handling the relationship between Beijing's status as a political and cultural center and its economic development and, proceeding from the requirement for integrating the urban and the rural economies, work out well the plans for counties (districts) and townships, strengthen the work to formulate the plan for land development and

improvement and the plan for land utilization for the entire municipality and then establish a more perfect and more scientific planning system. We should make adjustments to rationalize the layout of urban land use and gradually establish a layout of urban and rural areas that consists of the five levels of city proper, satellite cities (county towns), administrative towns, market towns and new countryside and a corresponding economic layout. We should properly handle the interrelationship between the various layouts in line with the overall urban and rural construction plan. First, we should control and renovate the downtown area, giving prominence to the political and cultural center and protecting the style and features of the ancient capital, and accelerate the renovation and construction of the southern urban area. Second, we should develop and build well the border areas of the city proper. Third, we should attach great importance to the construction and development of suburban areas and, while intensifying the construction of the four satellite cities of Huangcun, Tongzhen, Changping and Yanshan, continue to develop a few satellite cities and a number of socialist new-type market towns that are rationally distributed, provided with complete facilities and convenient means of transportation and have a beautiful environment and local characteristics so as to control the flux of rural people into urban areas, urge urban people to move to these market towns and ease the pressure on urban areas. In addition, we should build another group of small town and township industrial zones and new villages.

We should step up construction of urban infrastructural facilities in order to meet the need in economic and social development. The more a city is developed, the more it relies on infrastructural facilities. When infrastructural facilities are insufficient or lag behind, the development of the various undertakings of the city will be seriously restricted and urban life will even become chaotic or paralyzed. In the next 10 years, we should place the construction of urban infrastructural facilities in the first place of urban construction, strive to expand the city's capacity for water supply and drainage and for gas and centralized heating supply and accelerate construction of post and telecommunications facilities in order to enhance the telecommunications capacity. We should renovate and newly build a number of urban trunk roads, complete the construction of the subway line from Fuxingmen to Bawangfen, improve and increase public transportation lines and expand the railway and air transportation capacity. We should further improve our transportation, coordinate with the Ministry of Railway to build the Beijing West Station, coordinate with the Civil Aviation Administration of China to expand the Shoudu Airport and the roads leading to the airport and further improve passenger and cargo transportation facilities. All satellite cities and county towns should also make great efforts to build their infrastructural facilities. Meanwhile, we should strengthen the maintenance and management of urban and rural infrastructural facilities.

In line with the principle of developing new districts and repairing the old and dangerous houses, we should accelerate the pace in building residential houses. While developing new districts, we will go all out to repair on a large scale the several stretches of old and dangerous houses. This is the key to relieving the long-standing strained housing situation encountered by the masses and particularly in dealing with the difficulties in housing distribution and also is an important measure undertaken by the municipality for further improving its urban facade in line with the "guidelines" set by the CPC Central Committee and the State Council in their approvals for the "municipal overall urban construction plan" with regard to gradually revamping the old urban areas block by block and conducting reform in a planned manner in the phenomena of poor housing conditions, the large amount of old and dangerous houses, the backwardness of municipal public service utilities, and the traffic congestion in some streets and sections. We will unswervingly make green and beautify the environment in both urban and rural areas and do a good job in consolidating environmental sanitation to protect or improve the ecological environment. In the coming 10 years, we will regard as an emphasis the work of greening mountainous areas, carry out afforestation in an overall way among barren hills suitable to planting trees, plant trees in windy and dusty areas, and build fruit production bases among low mountains and hills and green corridors along main roads and rivers. We will also continuously upgrade the level of urban afforestation, further expand the public meadow grounds, popularize the method of greening the environment vertically, and achieve in enjoying the sight of flowers in three seasons each year and greenery all year long. We will protect the ancient and famous trees, emphatically build several large parks with their own characteristics, and separately establish a number of small forests and gardens. By the end of this century, the rate of suburban forest acreage will reach about 40 percent, that of urban forest acreage will be upgraded to about 35 percent, and the per capita public meadow will reach seven square meters. In conducting environmental protection, we will regard as a key point the work of preventing and controlling air pollution and protecting water sources and do a good job in dealing with the problems of pollution caused by the solid waste and noise. While building the sewage treatment plant at Gaobeidian area, we will emphatically build several medium-sized and small sewage treatment plants in the upper reaches of the rivers in the city. We will dam the Tonghui River and Liangshui River which have been seriously polluted and do a good job in establishing the system of handling garbage in a airtight way and building harmless garbage treatment facilities. We will carry out in a planned way the consolidation of rivers and lakes, water and soil conservation, vegetation construction, and the building of windbreak and sand-fixation forests so as to further improve the quality of Beijing's environment.

We will bring the urban scope under strict control, utilize the land resources in a reasonable way, and save and

develop water sources. This is the precondition of enabling the urban and rural construction to mount on the track of benign cycle. The key to bringing the urban scope under control lies in bringing the scope of population under control. Therefore, efforts should be continuously made to implement the basic state policy of family planning, to do a good job in conducting birth control work by regarding rural areas as a center, and to implement in an overall way the population responsibility system for the attainment of certain managerial objectives. It is imperative to centralize the authority of approving immigrants; to establish authorized organs in charge of this approval; and to bring the increase of immigrants under control by applying various measures of administration, law, and the economy. By the end of this century, the municipality plans to maintain the number of permanent residents within 11.8 million. In the coming 10 years, along with the increase of both urban and rural population and the development of urban construction, the contradiction between the limited land resources and economic and social development will become more prominent. Therefore, it is imperative to seriously implement the "policy" of greatly treasuring and reasonably utilizing every inch of land as well as of realistically protecting the farmland, and to gradually enforce the system of paid utilization of land and the land responsibility system for the attainment of certain managerial objectives. We will formulate the overall plan of developing and improving the state land throughout the municipality, vigorously reclaim waste mountains and land, and do a good job in repeating the reclamation of land, and broaden the utilization of land resources. The shortage of water sources has seriously restricted the capital's construction of modernization. While developing new water sources under the unified plan formulated by the State Council, we will regard the water saving campaign as a long-term strategic measure, further formulate or improve the policies and regulations, extensively carry out propaganda and educational activities, and will foster social morale in which it is honorary to save water and shameful to waste water. We will also enhance the work of geological survey and weather forecast so as to upgrade the comprehensive capability of preventing disasters.

C. We should constantly strengthen the strategic position of science, technology, and education in developing the capital, and accelerate the pace of developing science, technology, and education. Developing science and technology, and depending on scientific and technological progress are decisive factors for realizing the magnificent goal of modernizing the capital. In the next 10 years, we should continue to implement the strategic principle that "economic construction must be dependent on science and technology, and scientific and technological work must be geared to economic construction." We should continue to promote reforms in an all-round way, expand scientific and technological cooperation with foreign countries, strengthen the construction of weak links, and perfect scientific and technological legislation.

We should make great efforts to make breakthroughs in the following five aspects: First, we should further shift the focus of the scientific and technological work to the main battlefield of economic construction, urban construction, and urban management of capital. By the end of this century, scientific and technological progress should become the major factors for the economic increase of the capital and for promoting the modernization of urban management. Second, we should further exploit the capital's advantages in science and technology and in talented people; and should formulate effective policies and measures so that scientific and technological research achievements may be reached, scored by the central scientific research institutes in Beijing and by various universities and colleges, facilitate the capital's modernization drive in an even better manner. Third, we should establish and perfect the technological progress target system as well as technology development departments among enterprises in order to make large- and medium-sized enterprises gradually become the major factor in developing new products and applying new technology, in order to actually fulfill the task of readjusting the product mix. Fourth, we should increase the ranks of young and middle-aged scientific and technological personnel, the backbone of enterprises and scientific research institutes. In the next 10 years, we should build up a contingent embracing 1,000 persons who take the lead in carrying out various subjects (projects) and a contingent embracing 10,000 our needed scientific and technological workers. Fifth, we should increase input in science and technology through diverse channels, and increase the proportion of scientific and technological allocations in the total financial expenditures. In the next 10 years, we should build up a number of domestic first-class professional technology development bases, enhance the scientific and technological development level, and accelerate the pace of applying scientific and technological achievements to production. To attain the aforementioned goals, we should gradually give rise to a profound three-stratum pattern that embraces economic construction and urban construction and management, research, development, and industrialization of new and high technology, and the basic research of science and technology. We should continue to implement the feasible scientific and technological development plans such as the spark plan and the industrial technology invigoration plan. We should also continue to accelerate the research, development, and industrialization of new and high technology in line with the demands of domestic and world markets and with the advanced international level. In the course of further accelerating the building of experimental zones for developing new technology industries, we should formulate policies to support industries applying new and high technology in order to encourage even more trades and enterprises to participate in the development and application of new and high technology. To add momentum to scientific and technological development, we must further strengthen the basic research of natural sciences.

Social science research is an essential part of the building of the socialist material and spiritual civilizations, and thus great importance must be attached to it. In the future, we should emphasize exploring the theory of building socialism with Chinese characteristics and providing bases for making scientific policies and decision, under the guidance of Marxism-Leninism-Mao Zedong Thought, and by closely centering on the new circumstances and new problems emerging in reform, openness, and modernization. We should positively establish social sciences data banks, the outstanding achievements award system, and the outstanding works publishing fund in order to promote the development of social sciences.

Education is a century-long great cause of cultivating successors to the socialist modernization drive. As the cultural center of the country, the capital should particularly place education in a conspicuous and strategic position, and develop education on a priority basis. Although great headway has been made in Beijing's educational undertakings, many difficulties and problems remain. Major indicators are: The educational structure is not reasonable enough, teaching quality needs improvement, moral education needs to be strengthened, and the education in rural areas, particularly in poverty-stricken mountainous areas and remote border areas, remains weak. In the 1990's, the municipality will witness a large-scale succession of new teachers to old teachers, and thus it is an extremely urgent task to strengthen the building of the ranks of backbone teachers, young teachers, and cadres. The contradictions between the demand and the supply of educational appropriations remain very conspicuous, and teaching conditions of quite a few schools still need to be improved further.

The "(draft) outlines" point out that we should comprehensively implement the principle of "making education serve socialist modernization and coordinate with production and labor and training the constructors and successors who are morally, intellectually and physically developed," adhere to the socialist orientation for running schools, greatly raise the educational level, increase the educational reform and bringing to a new level the education of the capital. After making the nine-year compulsory education universal, we should make education at the senior middle school level universal in the city proper. We should continue to greatly develop the secondary vocational and technical education and conscientiously enforce the "Beijing Municipal Regulations on Secondary Vocational and Technical Education," with the focus on intensifying the education of staff members and workers and rural vocational and technical education. We should attach importance to preschool education and, at the same time, make a success of the special education of handicapped and mentally retarded children. In regular higher education, the main tasks are to stabilize the scale, adjust the geographical distribution of schools and their structure of branches of learning and raise the educational quality. In adult education, we

should emphasize the on-the-job training of staff members and workers, the continued education of specialized technical cadres and the education on general knowledge of young and middle-aged peasants. We should also pay attention to the education recorded as formal schooling. We should attach importance to consolidating our achievements in eliminating illiteracy and check the appearance of new illiterates. Schools of various categories at various levels should conscientiously strengthen moral education and ideological and political work to raise the socialist awareness and moral levels of the people who educate and those who are educated. We should make particular efforts to successfully operate several universities, primary and middle schools and kindergartens and raise them to the first-rate level of the country in order to promote the development of education as a whole. In the next 10 years, we should bring about approximately 1 million high and middle-grade personnel of various branches of learning.

Teachers are the foundation for the major undertaking of education. We should adopt effective measures to realistically improve the quality of the backbone teachers, young teachers and cadres of schools of various categories at various levels and build a contingent of a fixed number of teachers of fairly high quality who lead in the teaching in some fields. We should give priority to teachers' training schools, encourage outstanding middle school students to enter teachers' training schools and raise the ideological and political qualities of the students of teachers' training institutes. We should further the reform of curricula, teaching methods and the examination system, persistently act according to the law governing education and raise the educational quality. We should further improve the work and living conditions of teachers in a planned manner.

We should adhere to the principle of raising educational funds from various channels. For a fairly long period to come, the proportion of the state-allocated educational funds in the municipality's budgeted expenditure should be stabilized at more than 20 percent. Meanwhile, we should continue the system whereby governments at all levels do some practical work for education every year and principal leading comrades establish contacts with one or two schools, encourage all quarters of society to support and assist educational development and take the road of developing education by all the people. A peak in the enrollment of middle school students will appear beginning 1992. We should continue to adopt effective measures to prevent the appearance of two-shift schools. Meanwhile, we should guarantee the construction of educational capital construction projects and houses for teachers and administrative staff in line with the principle of "distributing land and funds on a priority basis and including the construction in the key projects."

D. We should further improve the people's living standard on the basis of developed economy.

Improving the people's material and cultural life continuously is the basic purpose of the development of productive forces. The "(draft) outlines" point out that urban and rural people's income will be further raised in the next years, the quality of their life will be improved and they will achieve the fairly comfortable standard of living in some aspects ahead of schedule.

To achieve this, we should strive to promote the economy and then emphasize the following work. First, we should make great efforts to organize well the production of the consumer goods that meet market demands and develop the tertiary industry in service of the people's life. Second, we should expedite construction of houses and public facilities, tackle environmental pollution and improve the environment for life and work. Third, we should further implement the principle of "combining employment through labor departments with organized employment on a voluntary basis and self-employment under unified state plan and guidance," strive to broaden the avenues for employment and arrange employment properly. In urban areas, we should continue to encourage jobless people to work in collective enterprises or engage in self-employed jobs in addition to making state enterprises arrange some jobs for them. Rural surplus laborers should be employed in rural areas mainly by developing township enterprises and developmental agricultural projects and their flux to urban areas should be strictly controlled. While intensifying pre-employment training and the education on the situation of employment and ideas on selection of jobs and actively leading jobless people to work in a difficult trade and difficult posts, we should study and formulate pertinent policies to resolve the difficulty of some trades and some type of work in recruiting workers. Fourth, we should establish and improve a multi-level pension system and unemployment insurance system for staff members and workers in line with the principle that the funds needed are shared rationally by the state, the collective and the individual in order to suit the urban characteristic of the aging of the population, the reform of the distribution system of enterprises, the needs in family planning work and should establish and improve multiform rural pension system and social relief system that conform to the level in the development of suburban productive forces. We should rely on the various quarters of society to develop social welfare undertakings and achieve success in the community service work. Fifth, we should comprehensively develop primary-level health care in line with the principle of "emphasizing prevention, relying on scientific and technological progress, mobilizing all of society in order to participate, developing traditional Chinese medicine and Western medicine in a coordinated manner and serving the people's health," particularly strengthen and improve the rural medical service network, reform and improve urban disease prevention and medical treatment network and continue the patriotic public health campaign among all the people. The municipality's hospital beds should be increased to 70,000 by the end of this century. Seventh, commodity prices should be adjusted in coordination

with the rise in the actual income of staff members and workers and every means should be adopted to keep retail price inflation under the growth of workers' average income so that the gradual improvement of the people's living standards can be guaranteed.

E. We should greatly intensify the building of the socialist spiritual civilization.

The building of the socialist spiritual civilization occupies a particularly important position in the overall plan for the modernization of the capital. The key to success in building the socialist spiritual civilization in the capital is to establish and improve the responsibility system and further correct the situation of "being strong in building the material civilization but weak in building the spiritual civilization."

The most important task on building the socialist spiritual civilization is to cultivate citizens who have ideals, moral integrity, cultural accomplishments, and the sense of discipline in order to improve the ideological and moral expertise as well as the scientific and cultural expertise of the Chinese nation as a whole. We should give prominence to strengthening ideological and moral construction, and should firmly and unswervingly carry out among Beijing's people the education on the party's basic line, patriotism, collectivism, socialism, and revolutionary tradition, and the education on the conditions of the country and the municipality. We should also advocate and carry forward the Communist spirit of dedicating oneself to the country. We should use Marxism-Leninism-Mao Zedong Thought to occupy the ideological, theoretical, and cultural fronts, to resist and oppose the ideological train of bourgeois liberalization and the inroad of corrosive ideas, and to guard against the schemes of infiltration, subversion, and "peaceful evolution" plotted by the international hostile forces. In the course of making best use of political advantages and popularizing the past successful experiences in building spiritual civilization, we should strive to explore special features and laws on the building of spiritual civilization under the new situation, and should make continued efforts to launch in a down-to-earth manner the activities of learning from Lei Feng, learning from Jiao Yulu, learning from Lai Ning, and learning from the advanced. We should conduct various kinds of educational activities on changing prevailing habits and customs, foster a civilized, healthy, and scientific style of life, and do away with vulgar, ignorant, and backward customs and habits. We should strengthen the education on professional purpose, professional duties, professional morality, professional skills, and professional discipline among all trades and professions, in particular among such major "window" trades as the commercial service trade, public transport, municipal administration and public utilities, medical treatment and public health, and tourist service. We should strengthen the education of all people on national defense, and profoundly unfold all sorts of joint activities, with the army-civilian joint building of civilized cities as the main form. We should conscientiously attend to the work of supporting the Army and giving

preferential treatment to family members of revolutionary martyrs and servicemen, should strengthen the military-government and the military-people unity, and should support building of army. The vast numbers of youths and juveniles are a generation striding from this century to the next. Thus, it is an extremely urgent task of the whole society to train youths and juveniles to be the constructors and successors to the socialist cause who are comprehensively developed morally, intellectually, and physically. We should combine family education, social education, and academic education, while adopting diverse forms to ensure the sound growth of youths and juveniles.

The socialist cultural construction is an important part of the building of spiritual civilization. In the next 10 years, under the guidance of Marxism-Leninism-Mao Zedong thought, we should carry forward the outstanding culture of the Chinese nation, and energetically flourish the socialist literature and art in strict adherence to the direction of gearing literature and art to socialism and the principles of letting a hundred flowers blossom and a hundred schools of thought contend. We should support and encourage literary people and artists to plunge into the thick of life to learn the real situations of the country and the municipality, enabling them to create literary and art works reflecting the style of our times, to inspire the fighting will of the people, and summon up their morale. We should achieve greater success in the undertaking of running the press and publications, give full play to the function of radio and television broadcasting service, which is a modernized means of propaganda, and attach great importance to the role of television broadcasting in guiding public opinion in society. We should strengthen the construction, utilization, and management of cultural places and cultural facilities such as libraries, cultural halls, museums, scientific and technological halls, archives, memorial halls, and cultural stations. We should launch varied, colorful, healthy, and useful cultural activities for the masses. We should conduct international cultural flows in an even more extensive manner to attract all positive achievements of human civilizations. At the same time, we should energetically invigorate the national culture and art, in particular Beijing opera, Kunqu opera, and quyi which are culture and art imbued with Beijing's characteristics. We should firmly and unswervingly wage struggle against pornography, and intensify the management of publications, recreational places, and cultural market. In adherence to the principle of scientific protection and reasonable utilization, we should maintain and manage well ancient relics and historical sites, and positively utilize ancient relics to educate the masses on patriotism, revolutionary tradition, and scientific knowledge. We should vigorously unfold mass sports activities to enhance the people's physique. We should adopt effective measures to improve sportsmen's athletic level in order to achieve even better scores at world and domestic competitions.

The Chinese Olympic Committee has approved Beijing Municipality to apply for the sponsorship of the 27th

Olympic Games in 2000, and the application has received the State Council's support. This is an honor for the people throughout the municipality and also means more duties imposed on them. We must take the sponsorship of the Olympic Games as a motive force in promoting the capital's program of building modernizations. If the 2000 Olympic Games is sponsored by the municipality, we will make every effort to make the grand international event a success and to make due contributions to developing the sports undertakings of human beings and promoting the world peace.

F. We should improve the socialist legal systems. The cause of building the socialist modernization is undertaken by the people as a whole. Only by enhancing the socialist democracy can we most extensively mobilize and rely on the people. Governments at all levels must consciously receive the supervision of the People's Congress and its standing committee at the same level and attach great importance to the role played by the CPPCC committee, various democratic parties, and mass communities. They should carry forward the socialist democracy, establish or improve the procedure and system of democratic supervision, and establish the leading system favorable for upgrading the work efficiency and bringing the enthusiasm of all circles into play. They should also be open-minded to listen to the opinions raised by various social strata in society so as to enable the will and interest of the vast number of people to be realized amid the state political activities and social life. They should wholeheartedly rely on the working class and bring into play the enthusiasm and creativity of the vast number of people throughout the capital. The municipal people's government will establish special organs to collect opinions and suggestions raised by the people across the capital or by personages at home and abroad who are concerned about the capital's development, who attach importance to and enhance the work of conducting research among the policy decisions and of carrying out consultations, and who will further promote the work of formulating policy decisions democratically and scientifically. The municipal government should continuously and conscientiously implement the party and state policies of nationalities affairs, religious affairs, Overseas Chinese affairs, and of the united front work; conduct education on the policies of nationalities affairs, religious affairs, and Overseas Chinese affairs; and further reinforce its contacts with the personages in charge of nationalities affairs, religious affairs, and of the affairs concerning the returned Overseas Chinese. It should further do a good job in building democracy at the grass-roots level and seriously implement the work rules of workers' congresses and the law and regulations on building villagers' committees and neighborhood committees so as to enable the people to fully perform their right as masters of their own affairs.

We will continuously enhance the construction of legal systems. In line with the state laws, the administrative rules and regulations, and the capital's actual needs, we

will submit in a planned manner the motion of formulating local rules and regulations to the municipal People's Congress and its standing committee. We will accelerate the enforcement or improve the governmental administrative regulations so as to legalize the administrative measures and economic methods of various fields in the capital's construction and management. We will do this to better conduct the political work in line with the law and run the municipality in line with the law, and to promote or ensure the development of the economy and society. During the Eighth Five-Year Plan period, we should gradually set up a complete urban plan and the system of rules and regulations over construction and management so as to enable the work in the economic field, scientific education, culture, public health, and public security to be basically carried out in line with the provided law, resolutely according to the law, and by strictly enforcing the law and calling personnel to account who have violated the law. This will gradually orient the administrative management of various industries and trades toward the legal systems. The work personnel of governments at all levels must foster a concept of conducting the political work in line with the law and bring into full play the role of the governmental legal system organs in supervising the work of administration and law enforcement so as to enable the laws, rules and regulations, and provisions to be fully enforced. We should reinforce or enhance the governmental legal system organs, strengthen or consolidate the building of political power at the grass-roots level, pay attention to training personnel in charge of law enforcement, and further improve the work conditions of the governmental legal system organs and the personnel in charge of law enforcement. During the Eighth Five-Year Plan period, we should fulfill in an overall way the second five-year educational plan of popularizing the laws, which is with the Constitution as a core and with the specialized laws as an emphasis. We should generally conduct propaganda and educational work on legal systems among citizens so as to upgrade their legal concept of protecting their legal right and interest in line with the law and performing their duties also in line with the law. All governmental work personnel should study the laws, master them, and strictly observe them.

We should conscientiously intensify efforts to remain honest and diligent in the performance of duty and resolutely punish corruption. Whether or not government departments and personnel are honest, perform their work impartially, serve the people wholeheartedly, and are responsible to the people is a matter concerning the life and death of the country and the development and failure of its construction, reform, and opening up. In our efforts to remain honest and diligent, we should be resolute and persistent in doing the work step by step in order to achieve good results. Starting with the problems with which the masses are most dissatisfied in different periods, we should make ceaseless efforts to pay attention to major problems, solve conspicuous ones, and make new achievements continuously. We should

unfailingly correct the unhealthy trends in some departments and trades, strictly investigate and handle cases, and punish corrupt elements according to law. Government functionaries should enhance their sense of being "public servants" and make continuous efforts to raise their political and professional qualities. Leading organs and leading cadres at all levels should set strict demands on themselves, work selflessly for the public interest, be devoted to their duties, improve their work styles, and voluntarily subject themselves to supervision by the masses. They should be diligent in the performance of duties, conscientiously conduct investigations and study, go deep among the masses to personally learn about their feelings, overcome bureaucracy, and improve their work efficiency. They should do a good job in handling people's complaints exposed in their letters and visits, listen attentively to their voices, strive to resolve their misgivings and difficulties, and maintain close government-populace ties. Those who commit the crime of dereliction of duty due to serious bureaucracy and negligence should be resolutely investigated and have their responsibility affixed according to law. Those who do not carry out orders and prohibitions and who violate laws and political discipline should be severely dealt with. Through unremitting efforts, we should achieve marked results in maintaining administrative honesty and correcting the healthy trends of some trades in the Eighth Five-Year Plan period.

We should resolutely safeguard the political and social stability of the capital. We should further implement the principle of "dealing blows and taking preventive measures simultaneously and taking both stopgap and radical measures with the focus on effecting a permanent cure." We should correctly handle the two different types of contradictions, deal resolute blows to the sabotaging by hostile forces, properly handle contradictions among the people, and adopt the methods of education and persuasion to nip in the bud the contradictions that may intensify. We should continue to encourage the masses to take preventive and controlling measures to tackle public security problems comprehensively. In line with the work scope and requirements of dealing blows, prevention, education, management, construction, and transformation on the comprehensive tackling of public security problems, we should clearly define the responsibilities; establish the examination, supervision, quality evaluation, and reward and punishment systems; strictly institute the security responsibility system of various units; and deal stern blows to serious criminal and economic offenses. We should intensify efforts to improve public security, state security, and judicial departments; continuously raise the political and professional qualities of public security cadres and policemen; give full play to the role of these departments in consolidating the people's democratic dictatorship; and provide a good social environment for the reform, opening up, and modernization of the capital.

### **3. We Should Further Emancipate Our Minds and Continue To Further Reform and Open Wider to the Outside World.**

Reform and opening up in the past 10 years boosted the socialist enthusiasm of the masses, and the first-step strategic objective of doubling the gross domestic product was realized. In the next 10 years, reform and opening up will still be a tremendous driving force for attaining the second-step strategic objective. Therefore, we should make unwavering efforts to further the reform in various aspects and open wider to the outside world.

The CPC Central Committee's "proposals" and the "outlines" adopted at the fourth session of the seventh NPC indicate that the general goal of the increased reform for the next 10 years is to initially establish an economic structure and an operational mechanism that are compatible with the development of the socialist planned commodity economy based on public ownership and that combine planning with regulation by market forces. Focusing on this goal, they also establish a series of principles, policies, measures, and major arrangements for reform. Premier Li Peng set forth the following five basic requirements for realizing this goal in his report to the fourth session of the seventh NPC. First, we should properly develop the various sectors of the economy while keeping public ownership predominant and improve the structure of ownership in line with the requirement for developing productive forces. Second, we should establish a vigorous management system and operational mechanism for state enterprises in order to turn the overwhelming majority of enterprises into ones with socialist commodity producers and managers responsible for independent management, their own profits and losses, self-restraint, and self-development. Third, we should improve, expand and develop various types of markets and establish and improve a unified market system. Fourth, we should uphold the distribution system which takes the distribution according to work as the major form and is supplemented by other modes; bring into better balance the relationship among the state, the collective, and the individual in terms of the distribution of interests; and establish a rational pattern for the distribution of the national income. Fifth, we should comprehensively use economic, administrative, and legal means to establish and improve the regulation and control system at the central level and the provincial, autonomous regional, and municipal level that combines direct regulation and control with indirect ones.

In carrying out its economic reform, Beijing Municipality should follow the unified arrangements of the CPC Central Committee and the State Council, proceed from the reality of the capital, adhere to and actively popularize the reform measures that have proven correct by practice, and further supplement, improve, and develop them in the process of popularizing them. Meanwhile, it should conduct experiments in selected areas, bravely probe new reform patterns, and strive to initially establish by the end of this century an economic structure and

an operational mechanism that are compatible with the development of the socialist planned commodity economy based on public ownership and that combine planning with the regulation by market forces. The "(draft) outlines" make specific arrangements for this. Here, I will emphasize five issues.

**A. Invigorating enterprises, especially large- and medium-sized state enterprises, is the central link of the increased economic reform.**

The reform achievement of enterprises, especially large- and medium-sized state enterprises which are the backbone force for national economic development and the major source of the state revenue, concerns not only whether the targets of the in-depth economic reform for the next 10 years can be attained smoothly but also concerns the development of the national economy, the improvement of the people's living standard, and the consolidation and development of the socialist system. It is an issue on which the rise and decline of the state hinges, and, therefore, we should concentrate our efforts on it. The purpose of invigorating enterprises is to establish a mechanism for them to carry out independent management, be responsible for their own profits and losses, and conduct self-restraint and self-development. With this mechanism, enterprises will have vitality. We should advance the reform of the external environment and the internal management of enterprises. For this purpose, we should particularly do the following work well.

First, we should make a distinction between government functions and enterprise functions, and should appropriately separate ownership from management power. We should conscientiously implement the "Law on Enterprises," further expand the management autonomy and investment policymaking power of large- and medium-sized state-owned enterprises, and change the situation of considering enterprises as accessories of administrative organs. We should actually reduce burdens on enterprises and strictly prevent arbitrary levies from enterprises except for legal ones. We should reappraise the value of fixed assets in a planned and step-by-step manner, appropriately enhance the depreciation rate, and accelerate the technological transformation and development of new products of enterprises. We should gradually establish and perfect the state assets management system and operation system, and should make an inventory of warehouses and funds in order to ensure the integrity and the value increase of the state assets.

Second, we should stabilize and perfect the contracted management responsibility system, with the "two-guarantees and one-linking up" as the major form. The existing basic principles and policies with regard to the contract system will remain unchanged for the next five years. We should continue to carry out the stock system and the experiment of separating taxes from profits and after-tax loan repayments and contract execution.

Third, we should positively develop enterprise groups. We should end the barriers between different departments and different regions, break through the restrictions between different forms of ownership, reform the organizational form of enterprises, and promote the optimum organization of production elements. In line with the economic law, we should organize and build, in a planned way, a number of competitive large enterprise groups as well as integrated corporations that combine production with marketing, combine agriculture and industry with commerce, and combine science and industry with trade.

Fourth, we should increase the internal reforms of enterprises. All enterprises should, in line with their respective conditions, conscientiously study the basic experience of Shoudu Iron and Steel Company, and should, in line with the principle of combining duties with powers and interests, establish a complete contracting system and a scientific and strict management system. All enterprises should wholeheartedly depend on the working class and strengthen democratic management. They should reform the labor, personnel, and wage systems, and break with the practices of the "big public pot" and the "iron rice bowl." They should persist in self-reliance, depend on scientific and technological progress, and positively draw advanced technology and managerial experience from foreign countries. They should strengthen and improve ideological and political work by closely centering on production and operations. They should strictly administer the party, strengthen party building, and give play to the role of party organizations as the political core. They should also continue to persist in and perfect the factory director (manager) responsibility system, positively carry out the per-capita labor contract system, vigorously promote the optimization of labor setup within themselves, and strive to make them become, as quickly as possible, relatively independent commodity producers and managers.

B. Developing and perfecting the market system constitutes the essential condition for developing the socialist planned commodity economy.

The market is the basic operating form of the commodity economy, and the implementation of the socialist planned commodity economy is inseparable from the market. Under the guidance of plans, and in line with market regulation and market competition, we should promote the balance between the social demands and the social supply. We should promote the reasonable distribution of production elements and natural resources in order to rapidly enhance the productive forces of society and orient the operation of the national economy toward a favorable cycle.

As demanded by the "draft" outlines, in the next 10 years, we should gradually establish a highly efficient and smoothly circulating system able to be regulated and controlled, and we should cultivate all kinds of markets. We should perfect the consumption materials market, continue to reform the commodity wholesale market,

expand the means of production market, and expand and develop the banking market, technology market, information market, real estate market, and labor service market. We should establish and perfect the unified market system embracing diverse levels, diverse channels, diverse forms of ownership, and diverse business forms. We should further perfect market organizations, regulations, and the means of regulation and control. We should improve the market order, and create conditions for fair competition so that the markets can develop soundly under the guidance of planning.

What is significant is that the capital, being the city opening to the outside, both to the rest of the nation and abroad, should by no means block the market, set up outposts and barriers, and indulge in local protectionism. The essence of local protectionism means protecting the backward and runs counter to the development of the planned economy.

C. Furthering the reform drive in the systems of the rural economy represents the only way of enlivening and developing the rural collective economy.

The capital first started to reform its economic systems among its suburban villages. Therefore, the broad masses of peasants are not only the pioneers of economic reform but are also the earliest beneficiaries of the reform. Over the past 10 years, the suburban villages have changed their out-dated appearance. Their speed in changing their appearance has surpassed that reached in another 30-year period. Therefore, to further implement the "guideline" of serving the capital, making peasants become wealthy, and building socialist new villages, it is imperative to continuously intensify the reform drive in the systems of the rural economy. We should improve the cooperative economic organizations at the town (township) level by regarding as an emphasis the work of establishing cooperative organizations, improving the relations in the responsibility systems, upgrading the managerial standard, and consolidating or reinforcing the collective economy. We should do this based on the general establishment of cooperatives at the village level. Efforts should be made to push forward the adequately standardized operation of rural enterprises in various industries and trades by enforcing the responsibility system linked to the output and by regarding the work of developing the collective economy as the main. Efforts should be made to continuously promote the optimization and organization of the major means of production. We should further broaden the collective economy among the few localities which have enforced the household responsibility system linked to their output and do a good job in rendering socialized services. We should also push forward the reform drive in the circulation system; gradually integrate production with sales; and further upgrade the level of commercialization, specialization, and modernization of the rural economy.

D. Actively and adequately conducting reform in the housing system represents an important way of dealing with the urban housing problems.

The fundamental purposes of conducting reform in the housing system are to reform the existing housing system with low rent and welfare preference, to gradually turn the housing system into a commercialized one, to finally set up a new benign housing system cycle, and to accelerate the pace of dealing with the housing problems of urban residents and particularly the difficulties encountered by households. The reform in this regard is to turn the enthusiasm displayed by the state and units into that displayed by the state, units, and individuals; to have everyone of them share the funds for building houses; and to raise funds for building houses through various channels to accelerate the pace of house construction. We should regard residential houses as marketable commodities and gradually orient these marketable houses to the consumer field of households. We should enforce the coexistence system between renting and buying a house voluntarily. In conducting the measures of housing reform on a trial basis at present, practice has shown that these measures are effective and should be further summarized or improved. The housing reform is a big event involving many thousands of households. It is imperative to take a firm step in carrying out the reform, because the situation in Beijing in this regard is more complicated, and by no means should we be overanxious for quick results. The housing reform plan, after the approval given by the State Council, will be carried out in a planned manner and step by step in a larger range.

E. Vigorously push forward the reform in the social guarantee system represents the important measure of ensuring the people's livelihood and furthering the reform drive among enterprises.

Establishing or improving the social guarantee system represents an important sign of the developed economy and progressive society, which not only represents the important measure of ensuring the people's livelihood, but also plays an important role in relieving the unfair social distribution, safeguarding the social stability, and pushing forward the reform drive in other fields. Therefore, it is imperative to attach great importance to the issue from the high plane of developing the capital's economy and society.

We should promote the social welfare benefit system and carry out reforms in various aspects. First, in line with the principle of having the state, the collectives, and the individuals rationally share the burdens, we should gradually establish the workers' pension insurance system and the social welfare benefit system for the unemployed workers waiting for new jobs at all levels in the urban areas. In the rural areas, in line with the local production development level, we should develop the peasants' old-age pension insurance program that fits the characteristics of the rural areas in a planned manner and successfully carry out the workers' insurance system of township enterprises. Second, we should shift the focus of social relief undertakings to the path of supporting the development of production as the main content and social relief as a supplement. Along with economic

development, we should gradually establish the social relief funding system, and emphasize the readjustment of the standards for giving pensions, welfare benefits, and relief in an effort to guarantee the basic livelihood of the low-income and economically strapped families. Third, we should mobilize and rely on various social sectors to develop social welfare undertakings. It is necessary to reform the public medical and the labor protection and medical systems, strengthen management, and reduce waste. We should build and expand the number of homes for old people, convalescent hospitals, sanatoriums, health centers, community service centers, and other social welfare facilities. We should properly solve the health recovery, labor, living, and educational problems of the disabled persons.

While advancing the economic structural reform, we should continue to press ahead with reforms in the educational, scientific, technological, and cultural spheres, and adopt active and reliable steps to carry out reform of the political system.

Implementing the policy of opening to the outside world is a basic national policy which our country should uphold for a long time. As a political and cultural center and a center for domestic and foreign contacts for the whole country, Beijing should further expand the opening policy and has conditions for entering the world arena with a more courageous attitude and in greater strides. On the one hand, we should actively bring in funds, advanced technology, facilities, management experiences, and trained personnel as well as all advanced cultural achievements from foreign countries, Hong Kong, and Taiwan; on the other hand, we should strive to export our products, funds, technology, trained personnel, and all outstanding cultural achievements with characteristics of the Chinese nation and the local distinctive features of Beijing. The "draft" outlines have made specific arrangements for this. In this point, I am going to touch on the work in five aspects:

First, we should actively develop exports and increase foreign exchange earnings. It is necessary to place the work emphasis on readjusting the export product mix and on raising the quality of export products and our prestige. It is necessary to change the practice of mainly exporting semi-processed items to that of exporting processed products, and to raise the export proportion of machinery and electrical products, complete sets of equipment, and high technology products. Through reform of the foreign trade system and strengthening of the operation and management of foreign trade enterprises, we should form a new mechanism marked by competition on an equal basis, independent operation, sole responsibility for one's own profits and losses, a combination of industry with agriculture and foreign trade, an integration of technology with industry and foreign trade, and the implementation of the agent system. We should continue to implement encouraging policies for products with competitive potential on the international market, develop a batch of export bases

with key products playing the lead, expand the independent operation and export powers of a number of large- and medium-sized production enterprises and enterprise groups, strengthen the publicity, sales and after-sale service of export commodities, and, while consolidating the existing markets, actively open up new international markets. We should establish a commercial information and service network for foreign sales in a step-by-step and planned manner. While expanding commodity export, we should actively develop technology exports, contract for more construction projects and labor services abroad, and continue to develop and establish enterprises in foreign countries.

Second, we should actively use foreign capital. In line with the industrial policy of the state, the demand of readjusting the industrial structure of Beijing Municipality, and Beijing's actual conditions of having many medium-sized and small enterprises, we should guide the orientation of using foreign capital; make the development of the productive "joint, cooperative, and foreign-funded" enterprises the main content; and implement the principle of giving simultaneous attention to large-, medium-sized, and small enterprises, with medium-sized and small enterprises playing a dominant role. Through the import of foreign capital, advanced technology, and management experiences, we should transform the existing enterprises, particularly large- and medium-sized old enterprises, and upgrade the technology and management level. It is necessary to further improve the investment environment, formulate and perfect the relevant local laws and regulations, simplify examination and approval procedures, improve working efficiency, and provide comprehensive, high quality, and efficient services for foreign businessmen to make investments. Continued efforts should be made to strive for bilateral aid items from international organizations, banking organs, and governments, and to actively use medium- and long-term preferential loans to carry out construction of urban infrastructure facilities and environmental protection projects.

In the utilization of foreign capital and foreign debts, we should fully consider the capacity of our own supporting funds and our capacity to repay the debts, establish a strict responsibility system and an auditing and monitoring system, and establish a foreign debt repayment foundation in an effort to raise our international prestige.

Third, we should rationally readjust the structure of imported commodities. We should readjust the import structure so as to help promote technological progress and strengthen our capacity to earn foreign exchange through exports and to produce import substitutes. Foreign exchange earnings should be mainly used for importing advanced technology, key facilities, and raw materials in short supply. We should actively support the production of import substitutes and accelerate the process of domesticizing imported technology. We will not arrange for the import of all raw materials and facilities that can be domestically produced and whose supply can

satisfy the needs. It is necessary to make resolute efforts to reduce the import of ordinary facilities, machinery, and electronic products and instruments, and to strictly restrict the import of luxury goods, high-grade consumer goods, cigarettes, wine, and fruits.

Fourth, we should fully display the comprehensive functions of the tourist industry in opening to the outside world. Creating foreign exchange through tourism means exporting on the spot. The development of the tourist industry is conducive to exchanging domestic and foreign personnel, importing foreign capital, strengthening friendship and understanding between the Chinese people and the people of various countries, and enhancing our country's prestige and the good image of opening to the outside world.

Fifth, we should further expand exchanges with foreign countries. The exchanges and cooperation in the scientific, technological, cultural, public health, and sports spheres should be more active, and the contacts with governments of friendly cities of relevant countries should be more actively carried out.

We should continue to press for reform, expand opening up, and initially establish an economic system and operational mechanism that are based on the public ownership system and are characterized by the development of the socialist planned commodity economy and a combination of the planned economy with market regulation. Government functionaries at all levels should further emancipate their minds. At present, in our practical work, particularly in the leadership work of governments at all levels, some subjective, one-sided, and metaphysical understandings still shackle our thinking, preventing us from braving the way forward and forging ahead courageously.

1. We have attached equal importance to displaying the role of the market mechanism and developing capitalism. Since we want to develop the socialist commodity economy, we must cultivate and develop markets under state leadership. Otherwise, the socialist commodity economy cannot be fully developed. Allowing the public ownership sector to play a dominant role or making the private ownership sector play a dominant role, and following the road of common prosperity or producing a polarization of the rich and the poor are the differences in the essence of socialism and capitalism. We must not regard the mention of markets as capitalism. Leaders of all enterprises should not be afraid of market competition. Instead, they should change their concept of relying on "unified state purchasing and guaranteed marketing," and should fight desperately in learning from the domestic and international markets in an effort to raise the quality and efficiency of enterprises.

2. We have set reforms against economic improvement and rectification. Economic improvement and rectification is aimed at creating better environment and conditions for the increased reforms. At the same time, economic improvement and rectification itself also

needs the close coordination of reforms. The two supplement each other. In the course of economic improvement and rectification, we must not let reforms "retreat," "give way," or stop. Instead, we should further improve and gradually enlarge its scale.

3. We have set the open policy against self-reliance. Ours is a densely populated socialist big country. We must place our starting point on the basis of independence and self-reliance. This must not be shaken at any time. However, independence does not mean to close the country to international commerce, and self-reliance does not mean to end the development of exchanges and cooperation on an equal basis with the international communities. Only by conducting reforms can we learn from the strong points of the world countries to offset our weaknesses. While studying the advanced technology, scientific management experience and the advanced cultural achievements from other countries, we must also fully display our own advantages. If we ignore our advantages, talk as if our country's outstanding natural culture and traditions and our present state are devoid of any merit, consider all foreign things as good, and blindly worship things foreign, we are completely wrong. This will surely make us fall into national nihilism.

4. We have set partial interest against the overall interest. Giving attention to the part and ignoring the overall situation when anything crops up, only thinking about taking benefits from the state at the expense of making contributions, proceeding from the interests of one's own localities, departments and units, and practicing selfish departmentalism are incompatible as fire and water with a series of principles which we have advocated such as putting public interest before self-interest, submitting the part to the whole, giving consideration to the overall situation, and correctly handling the relations between the state, the collectives and the individuals. In addition, they are out of tune with the socialized large-scale production, and the unified open markets essential for the establishment and development of the commodity economy.

5. We have confused the eagerness for quick results in economic construction with the sense of urgency for realizing the modernization objective. Eagerness for quick results goes beyond the objective possibility. The sense of urgency is the attainable and highest standard which we set or it is motivating ourselves to speed up our work. In economic construction, we must guard against eagerness for quick results and must realize a sustained, steady and coordinated development. However, under the conditions of objective possibility, we should exert efforts to successfully carry out our work as quickly as possible.

6. We have separated stability from development. We have bound our hands and feet when we talked about stability, failed to move forward and to boldly carry out reforms and the open policy, and not dared to pioneer new projects in the vast economic and social spheres and

make new theoretical, ideological, and cultural explorations. Stability is the precondition of development. However, only when we have a sustained economic development can we rapidly enhance the livelihood of the people, and lay a solid foundation for stability. The two are interdependent for existence.

7. We have attempted nothing and accomplished nothing in the face of difficulties, giving greater attention to external factors at the expense of internal factors, and separated external factors from the internal ones. External factors mean conditions and internal factors mean the basis. In addition to looking squarely at the difficulties in the external environment, we should fully display the subjective activities, enhance spirit, and adopt positive measures to overcome difficulties.

8. We have stood still in face of achievements, recognized our progress, ignored our disparities, and failed to see both the good and the bad in our work. We have scored great achievements in our work indeed. But, disparities have inevitably existed. We will lose our confidence if we fail to see achievements. But if we are satisfied with the existing state of affairs, stand still and refuse to make progress, and fail to take the initiative in finding out the disparities, we will undoubtedly fall into a backward situation.

9. We have set the building of clean politics against economic invigoration, held that the building of clean politics would affect economic invigoration, and confused "invigoration" with securing advantages through pull or influence, trying to establish relationship with some one, entertaining guests, sending gifts and giving bribes. Invigorating the economy and through it to develop the socialist productive forces and to raise the level of the people's livelihood is the purpose of reforms and opening up. But "economic invigoration" must not go beyond the framework of the Constitution and law and must not go against the principle of socialist morality. Otherwise, economic activities will be led astray, and the economic order will be disrupted. Strengthening the building of clean politics and resolutely checking unhealthy trends in various trades are aimed at facilitating political and social stability. They will not affect economic invigoration but will create a good social environment for invigorating the economy.

10. We have promoted personnel according to seniority, demanded perfection, and set the relatively stable ranks of cadres against the boldness of using outstanding young and middle-aged trained personnel. The ranks of cadres must be stabilized. But stability is relative. To realize the grand objective of carrying out socialist modernization construction in the capital by the end of this century, we need a batch of young and middle-aged trained personnel with ability, political integrity, and vigor. Construction of the 21st century requires our greater efforts to nurture at an early date backbone forces that uphold the socialist orientation and have real ability and learning, and to let young and middle-aged leading forces

to assume heavy tasks in particular. Promoting personnel according to seniority will dampen the enthusiasm of the trained personnel, and affect our work adversely. On this issue, we should be bold and resolute and should be free from misgivings.

Governments at all levels are specific organs in implementing the tasks, principles, and policies made by the People's Congress. Whether the work personnel of governments, particularly leading cadres, upgrade their ideological level and adopt good ideological methods and work styles has a vital bearing on pushing forward and implementing work in various fields. We wholeheartedly wish to receive the supervision, criticism, and assistance given by various deputies, the personages of various circles, and by the vast number of people so as to enable us to do a good job in conducting our work according to the ideological line of dialectical and historical materialism. Emancipating minds means seeking truth from facts. Practice conducted over the past many years has shown that units which have emancipated their minds, upheld the principle of seeking truth from facts, presented questions, and dealt with problems by boldly proceeding from reality, and accomplished things in line with the theory of dialectical materialism, are able to invigorate their work and score great achievements. Those which have not emancipated their minds; not upheld the principle of seeking truth from facts; been fettered by idealism and metaphysics; and have seen the problems and done things by adopting an isolated, static, and one-sided viewpoint; will be listless in spirit, unable to boost their work, and even become stagnant or backward. To further intensify the reform drive, to broaden the open policy, and to fulfill the grand target of the 1990's, we must uphold the principle of seeking truth from facts, further emancipate our minds, and pay attention at all times to preventing the fettering of idealism and metaphysics so as to heighten our spirit, go all out to make the municipality prosperous, and pioneer the road of advance. "Human beings should steadily summarize their experiences, discover something, invent something, create something, and make progress. The thesis of stagnancy and pessimism and the ideas of inertia and complacency are all wrong. Reasons why these thesis and ideas are regarded as wrong are that they are not in conformity with the historical facts of social development of human beings nor with the historical facts of natural development." This paragraph written by Comrade Mao Zedong should still be regarded by us as a motto.

Fellow deputies!

We have traversed an unusual course of the 1980's with our firm steps and added new chapters with our solid colors and powerful pens to the capital's history of construction. The outlines of the 10- year program and the Eighth Five-Year Plan have revealed good prospects to us for the new historical period. Making a success in the 10-year program lies on the effort made in the first five years and that in the first five years lies on the effort made in the first year. Whether we can fulfill the Eighth

Five-Year Plan depends on the very crucial year of 1991. Comrades Wang Jun and Wang Baosen will deliver reports on the implementation of the 1990 plan, on the 1991 plan of the national economy and social development, on the final accounts of 1990 financial budget, and on the 1991 financial budget. We must better conduct our work this year. Under the cordial concern shown by the CPC Central Committee with Comrade Jiang Zemin as the core and by the State Council, under the leadership of the Beijing municipal party committee, let's bring all contributing factors into play and unite with all possible forces by relying on the people of various nationalities across the municipality, as well as advancing bravely along the course toward the 21st century. After 10 years, Beijing will certainly display its dauntless demeanor and its appearance will glow with health!

### Beijing Economic Development Outlines

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[Outlines of 10-Year Program and Eighth Five-Year Plan for economic and social development of Beijing Municipality, approved by the fourth session of the ninth Beijing Municipal People's Congress on 24 April]

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#### Preface

The last ten years of the 20th century is a key period in the historical progress of China's socialist modernization. As the capital of the great motherland, Beijing should make due contributions to the country's efforts to attain the second-step strategic objective of economic and social development in line with its own characteristics, and should further perform its functions as a political center and a cultural center to serve still better the central authorities, the international and domestic exchanges and the people of the capital.

In the 1980's, with the concern and leadership of the CPC Central Committee and the State Council and the support of other provinces, municipalities and autonomous regions, people of various nationalities of Beijing Municipality resolutely implemented the line, principles, and policies on building socialism with Chinese characteristics laid down by the party Central Committee since the third plenary session of its 11th committee, conscientiously carried out the party Central Committee's instructions on the construction of the capital and the basic guidelines of the its written reply concerning the "Beijing program on the overall plan for urban construction," adhered to the ideological line of seeking truth from facts, and unswervingly promoted reform and opening up, thus inspiring the enthusiasm of all quarters, successfully accomplishing the Sixth and Seventh Five-Year Plans, scoring significant historical achievements in economic and social development, and laying a solid foundation for the economic and social development of the capital for the 1990's.

The "outlines of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Beijing Municipality" (hereinafter referred to as "outlines" for short) were formulated based on the "proposals of the CPC Central Committee for the drawing-up of the 10-year program and the Eighth Five-Year Plan for

national economic and social development" endorsed at the seventh plenary session of the 13th CPC Central Committee, the "outlines of the 10-year program and the Eighth Five-Year Plan for PRC national economic and social development" approved at the fourth session of the seventh National People's Congress, the party Central Committee's instructions on the construction of the capital and the basic guidelines of its written reply concerning the "Beijing program on the overall plan for urban construction," and the specific conditions for Beijing Municipality's economic and social development.

When working out the "outlines," we took the current good foundation and numerous favorable conditions into consideration, and earnestly analyzed difficulties and problems in an effort to make the program and the plan optimistic and reliable and also have some leeway.

The "outlines" combine the 10-year program and the Eighth Five-Year Plan. Except for a few important targets, the 10-year program stipulates mainly the major goals, basic tasks, and important principles and policies for economic and social development. The Eighth Five-Year Plan is more specific, and lists more targets. However, its emphasis is still on stipulating the orientation, tasks and policy measures for economic and social development. More detailed and specific arrangements will be made in annual plans and the special plans for the development of each industry.

#### **1. Great Achievements Scored in the 1980's Laid a Foundation for the Development in the 1990's.**

**A. Comprehensive economic strength was enhanced notably.**

The gross domestic product increased by more than 100 percent. The 1990 gross domestic product reached 49.6 billion yuan, increasing by 1.3 times over 1980 in terms of comparable prices. The per-capita gross domestic product was 4,835 yuan, two times that of 1980.

Industry developed rapidly, and the output of many important products increased substantially. The municipality's 1990 industrial output value (including the industry at and below the village level) reached 56.2 billion yuan, up 1.6 times in 10 years (in terms of 1980 constant prices). A number of modern plants were built, and some old enterprises carried out technical transformation to substantially improve their technological and equipment levels, thus increasing our capacity for further economic development.

The foundation for agriculture was strengthened, and agriculture became more commercialized, specialized, and modernized. A number of nonstaple food production bases were built, the output of vegetables, milk, eggs, poultry, fresh-water fish, and fruits in northern areas doubled and redoubled, and pig production developed greatly. Agricultural production conditions were further improved, marked results were achieved in farmland

capital construction, and the level of farm mechanization was continuously raised. Grain output was high and stable for year after year, and reached 2.646 million tons in 1990, averaging an annual increase of 79,000 tons. As a new force suddenly coming to the fore, town and township industry became an important part of the industry of the entire municipality.

The tertiary industry witnessed fairly rapid development, and its function in serving production and the people's life was continuously strengthened. Calculated in terms of comparable prices, it registered an average annual increase of 14.6 percent, and the proportion of its output value in the gross domestic product of the entire municipality rose from 26.8 percent in 1980 to 37.5 percent. The number of commercial outlets increased by six times, and the volume of retail sales reached 30.77 billion yuan, five times that of 1980. The difficulties of the residents of our municipality and domestic and foreign tourists in finding places to live, eat, and make and wash clothes were basically resolved. Tourism developed vigorously. The municipality received 7,875 million tourists from abroad, and earned \$3.75 billion.

Foreign trade and foreign economic and technological exchanges expanded rapidly. In 1990, \$1.32 billion was earned from export, up 1.2 times from 1980. In the 10 years, the municipality used \$2.17 billion of foreign capital, established 834 enterprises in the "three forms of ventures," and imported 1,600 items of technology and equipment from abroad. New development was also made in overseas enterprises, technology export, and labor service cooperation.

Lateral economic ties developed rapidly. Through technology exports, personnel exchanges, fund investment, and regional economic development, a number of raw materials, energy resources, and nonstaple food production and supply bases were built in other provinces and regions to alleviate our municipality's shortages of raw materials and energy resources, to make the market supply of the capital more abundant, and also to support the economic development of other provinces and regions.

Financial revenues increased every year, and monetary businesses developed rapidly. Local revenues totaled 57.14 billion yuan in the 10 years, averaging an annual increase of 5.13 percent in terms of comparable standards. Bank savings deposits of the municipality increased by more than four times in the 10 years, and loans by more than five times. This effectively supported the economic development of the capital.

**B. Urban and Rural Modernization Level Improved Notably.**

Persistently putting construction of urban infrastructural facilities in the first place in urban construction, we invested 15.84 billion yuan in the 10 years, and the proportion of the investment in infrastructural facilities in the entire investment in fixed assets increased greatly. A large number of key urban infrastructural facilities

were completed to ease the strained water supply, improve to a certain extent traffic congestions and impeded telecommunications service, and greatly develop urban gas supply and central heat supply. The overall functions of urban infrastructural facilities were substantially improved. Significant progress was achieved in greening urban and rural areas, and environmental pollution was brought under control in some aspects.

Over the past 10 years, the municipality has built 90.84 million square meters of houses. The floor space of completely built houses has reached 50.72 million square meters. It has built more than 70 small residential areas; a large number of large public buildings; and a large number of facilities for education, science, and technology, culture, medical, and social welfare. The construction work of the well-built Asian Games village and the 33 newly built or rebuilt stadiums and gymnasiums reached world class level. The four satellite cities, including Huangcun and Changping, have begun to take shape. It has built a number of new rural villages reflecting their own characteristics.

#### C. Education, Science and Technology, Culture, and Social Undertakings Developed Vigorously

Elementary education achieved rapid development and nine-year compulsory education was basically popularized. The municipality achieved harmonious development among the secondary vocational and technical education, higher education, adult education, and vocational and technical training classes. The facilities for various types of education were greatly improved. Over the past 10 years, the municipality has trained 650,000 medium-class specialized talented personnel, a large number of scientific and technological results have come out, the phenomenon in which science and technology are divorced from production has been improved, and the pattern in which science and technology are geared to the main battlefield of economic construction has been formed. The municipality opened the first development and experimental zone of new technical industries in the country and scored marked results in the zone. The socialist cultural undertakings became more prosperous. The medical and public health undertakings achieved great development. The total number of patient beds in hospitals reached 59,000 and the problem in seeing a doctor and applying for a patient bed in a hospital was somewhat relieved. Under the vigorous support offered by the people throughout the country, the municipality has heightened the national spirit and upgraded our country's international prestige by successfully holding the 11th Asian Games.

#### D. Living Standard of Urban and Rural People Clearly Improved

The per capital income of urban people in 1990 showed a 67.5 percent increase over that in 1980 and the per peasant net income showed a 2-fold increase over that in 1980. The content of people's consumption multiplied

and the quality was greatly upgraded. The per capita housing floor space of urban people reached 7.7 square meters (equal to 11.2 square meters of utilized land). The per peasant housing floor space reached 20.6 square meters. The consumption structure of people's food-stuffs and medical conditions were obviously improved as well as the per capita life expectancy and the per capita cultural level were obviously upgraded.

The fundamental reason why the capital has scored heartening and important achievements in building modernizations over the past 10 years is its unwavering implementation of the principles and policies issued by the CPC Central Committee and the State Council and a series of directives issued by the central authorities with regard to the capital's construction. To push forward the capital's program of building modernizations, it is imperative to uphold the four cardinal principles, to wage struggle against the hostile forces both domestic and abroad and against the ideological trend of bourgeois liberalization, and to safeguard the capital's political situation of stability and unity; it is imperative to uphold the programs of conducting reform and opening to outside world, to develop the planned commodity economy, and to vigorously establish the operation mechanism in which the planned economy is combined with market regulation; it is imperative to implement the central guideline on building up the capital and the basic spirit of approval on the "overall plan" of Beijing urban construction, and to formulate the plan of both urban and rural areas and carry out construction and management, and to readjust the economic structure and arrangements; it is imperative to uphold the principle of seeking truth from facts, to emancipate minds, to proceed from reality, and to steadily enhance the sense of conducting reform and opening to the outside world; it is imperative to uphold the principle of vigorously developing science, technology, and education; it is imperative to enhance the program of building the spiritual civilization, to carry forward socialist democracy, and to bring all contributing factors into play; and it is imperative to enhance the building of legal systems and to orient various construction and management items onto the track on which everything has been done in line with the law.

The achievements scored over the past 10 years have laid a solid foundation and accumulated precious experience for the development of the national economy and society in the coming 10 years.

There were also some difficulties and problems in the economic and social development of our municipality. Major ones were negligence of ideological and political education for some time and the failure to fundamentally solve the problem of being strong in building the material civilization and weak in building the spiritual civilization; poor economic efficiency and the failure to truly invigorate some large- and medium-sized state enterprises and to solve some deep-seated problems in economic activities; the inordinately large increase in financial subsidies, which created too heavy a burden;

the increasingly intense shortage of water resources; the very limited land for construction in the planned urban construction areas; the continuous expansion of urban environs and urban population; and so on. We should take these problems seriously, and seek ways to solve them.

## 2. Major Goals and Guiding Principles 1991 - 2000

### A. Goals To Be Attained

The general demands are to achieve a marked improvement in urban and rural modernization level, and further strengthen the functions as a political center, cultural center, and international and domestic exchange center; to score a notable achievement in the adjustment of industrial composition, and a further improvement in the quality of the economy as a whole; and to raise the people's life to a fairly well-off standard on schedule or ahead of schedule in some aspects.

1. In terms of comparable prices, the gross domestic product should be quadrupled by the end of this century as compared with 1980. In line with the aforementioned goal, the gross domestic product should reach 89 billion yuan in 2000 as calculated in terms of the 1990 prices, and the average annual increase in the 10 years should be approximately 5.5 percent. The industrial and agricultural output value should increase by approximately 6 percent every year, of which the agricultural output value should increase by approximately 3.5 percent and the industrial output value approximately 6.5 percent.

2. The people's life should be raised to a fairly well-off standard on schedule or ahead of schedule in some aspects. When allowing for price rises, the actual consumption level of urban and rural people should increase by approximately 3 percent every year. The supplies of means of subsistence should be more abundant, living conditions should be further improved, and the per capita housing floor space of urban people should reach 9.5 square meters (equivalent to 14 square meters of usable area). People's cultural activities should be rich and colorful, their health further improved, and social service facilities fairly complete.

3. An economic structure compatible with the characteristics of the capital should be established and economic development should be achieved by improving the quality of personnel, relying on scientific and technological progress, improving product quality and raising economic efficiency.

4. The urban and rural modernization level of the capital should be further improved. Modern service facilities should be fairly complete, and urban and rural outlook should be notably improved to lay a solid foundation for building the capital into a clean, beautiful, ecologically perfect, and economically prosperous modern international city with a high degree of civilization by the middle of the next century.

5. We should further strengthen the function of the capital as a cultural center, and strengthen the strategic positions of education and science and technology in economic and social development so that the capital can both have an influence on the whole country and meet the needs in the development of international scientific and technological, and cultural exchanges.

6. An initial economic structure and operational mechanism should be established that conform to the development of the socialist planned commodity economy based on public ownership, and that combine the planned economy with market regulation.

7. We should develop and improve the socialist democratic system, and gradually institutionalize various construction projects and management.

8. The socialist spiritual civilization should reach a new level, and the capital should be built into one of the cities best in social order, public security, social conduct, and morality in the country.

### B. Basic Guiding Principles

The general guiding ideologies of the 10-year program for national economic and social development and the Eighth Five-Year Plan of Beijing Municipality are to persistently implement the basic line of the party in the initial stage of socialism and to build a modern socialist capital with Chinese characteristics. To this end, we must carry out the guiding principles as follows:

1. Persist in the ideological line of seeking truth from facts. We should proceed from reality, link theory with practice, ceaselessly emancipate the mind, and promote all undertakings.

2. Adhere to the four cardinal principles, have a clear-cut stand to wage the struggle against the thinking of bourgeois liberalization that negates the leadership of the CPC and the socialist system, and resolutely safeguard the capital's political situation characterized by stability and unity.

3. Persistently deepen reforms and positively promote the development of opening the capital to the outside world. By deepening reforms, we will gradually change the factors that the production relations are not suitable to the development of productive forces and the superstructure is not suitable to the economic foundation. We should further expand the scale of opening the country to the outside world, fully utilize foreign capital and the funds from outside the municipality, bring in advanced technologies, managerial experience, and skilled persons, and positively join the international market competition.

4. Persist in the central authorities' instructions on the construction of the capital as well as the basic guidelines of the central authorities' written reply to the "general plan of Beijing Municipality for urban construction." The development of all undertakings must be submitted to and fully embody the requirement that the capital,

with the nature of a city, is the political and cultural center of the country as a whole; better serve the central authorities and the international and domestic contacts; and serve the people in the capital.

5. Persist in the principle of developing the national economy in a sustained, steady, and coordinated manner; and take the improvement of quality and efficiency as the focus of the economic work. We should handle affairs according to the objective economic law and avoid being impatient for quick results. We should proceed from the national and municipal situations, persist in the principle of acting according to the capability, have a sense of urgency, make an overall balance, and make good arrangements for various construction projects and the people's livelihood. We should accurately handle the relations between accumulation and consumption, between results and speed, between short-term interests and long-term interests, and between the interests of the part and those of the whole. We should optimize the economic structure, rely on scientific and technological progress, firmly attend to management and operation, and take the road of less input, more output, high efficiency, and good quality. We should strive to ensure a steady and suitable development of the national economy and avoid creating big fluctuations.

6. Persist in the principle of self-reliance, arduous struggle, and building the country through diligence and thrif. We should better link the use of foreign capital and the funds from outside the municipality and the import of technology and intelligence with the upgrading of the country's self-reliance capability; carry forward the spirit of starting undertakings with arduous efforts, being diligent, and practicing thrif; and resolutely eliminate the extravagant and waste phenomena in various spheres.

7. Persistently carry forward socialist democracy, fully mobilize various positive factors, administer the municipality persistently according to laws, perfect rules and regulations, and really ensure that there are laws to abide by, laws already enacted should be observed and enforced to the letter, and those who violate laws must be called to account.

8. Persist in the principle of grasping both socialist material and spiritual civilizations. We should vigorously strengthen the construction of socialist spiritual civilization, strengthen the ideological and political work, enliven socialist culture, ceaselessly upgrade the people's ideological awareness, morality, and scientific and educational levels, and ensure the smooth progress of material civilization.

### C. Major Tasks and Important Targets

Major Tasks for the municipal economic and social development in the next 10 years are:

1. We should emphatically readjust industrial structure, and vigorously develop an economy suitable for the capital's characteristics.

By 2000, the proportions of the three industries should be readjusted as follows: The proportion of primary industry in the gross domestic product should be readjusted as about 6 percent, slightly lower than in 1990; that of secondary industry should be lowered from 54.6 percent in 1990 to about 49 percent; and that of tertiary industry should be raised from 37.5 percent to about 45 percent.

We should vigorously develop agriculture and the rural economy. We should give top priority to foodstuff production, establish stable and modernized foodstuff production bases, and firmly grasp the intensive processing of foodstuff in order to provide the capital's markets with ample and fresh foodstuffs of diverse varieties. We should unfailingly grasp grain production, and strive to top 3 million tons in gross grain output by the year 2000. We should give positive guidance and support to the sound development of township enterprises, and invigorate the rural economy in an all-round manner. By 2000, the total output value of township enterprises should reach 41.5 billion yuan, and the total product of the rural society should reach 75 billion yuan. We should further improve agricultural production conditions, enhance the comprehensive production capacity, and raise the levels of commercialization, specialization, and modernization of agriculture in order to effect a marked improvement in the overall quality of the suburban and rural economic sectors. We should persist in and perfect the contract system, and promote the large-scale operation and entrepreneurial management of all trades. We should strengthen the building of rural cooperative economic organizations, and consolidate and expand the rural collective economy.

We should readjust industrial structure and distribution, and positively develop an industry suitable for the characteristics of the capital. First, we should readjust industrial structure in line with the domestic and world market demands and in accordance with the "five-less and two-high" principles (less energy consumption, less water consumption, less materials consumption, less land use, and less pollution, and high added value, and high technology-intensive degree). We should emphatically develop the electronics and the motor industries, promote the development of related industries, and give rise to the pillar industries of the municipality. Electronics industry should become a leading industry for renovating traditional industries and promoting the modernization of the municipality's economy; and should, at the same time, depend on the capital's scientific and technological superiority to accelerate the industrialization of high and new technology. Second, we should readjust enterprises' organizational structure, and organize and build a number of enterprises groups, headed by competitive superior products and important enterprises in order to form a large-scale economy and a complete production capacity. Third, we should enhance the level of modernization. By 2000, the technical equipment level of major trades should reach the world level achieved in late 1980's and early 1990's. Fourth, we

should effect a marked improvement in economic efficiency and product quality, and make major economic efficiency targets reach the advanced national levels. Fifth, we should readjust the layout of municipality. In the urban construction areas under planning, no new plants will be built in principle, the plants (workshops) which cause pollution and disturb residents should be moved out of the district areas or be consolidated in a planned way, and positive planning should be made for construction of new industrial areas and small township industrial areas. By 2000, the total municipal industrial output value should reach 142.5 billion yuan.

We should comprehensively improve the quality of the building industry in order to better serve the construction of the capital. We should firmly foster the idea that "quality is of top importance to the fulfillment of our great long-range mission," and exert great effort in improving the quality of projects. Through consolidation and reform, we should make the design level, the machinery, the management, the cultural and technical expertise of workers, and major economic and technical targets of the municipality join the ranks of the best of the whole country. We should not only facilitate the construction of the capital, but also take an active part in the competition on domestic and international construction markets. We should comprehensively implement the bid system for designing and building various construction projects, and lower the cost of projects. We should vigorously develop the decoration and repairing trades to meet the demands of commodities commercialization and the modernization of the capital. In the next 10 years, the floor space of completed buildings of various kinds should reach 90 million square meters or more.

We should actively develop the tertiary industry and perfect the system of serving production and the people's livelihood. While making continued efforts to develop traditional industries that serve production and the people's livelihood, we should actively develop the burgeoning industries, particularly the industries requiring knowledge and intelligence, such as electronic information and consulting services. It is necessary to emphasize the development of commerce, foreign trade, banking, tourism, information consulting services, insurance, and real estate; to use posts, telecommunications, communications, and transport as the foundation; and, gradually, to establish tertiary industrial units that serve the capital and the whole country, which will have comprehensive facilities and functions. We should unceasingly deepen reform, promote the development and growth of the markets, gradually establish efficient and brisk markets that link up with all parts of the country. We should enable the capital to become a communications, posts and telecommunications, and information service network and hub, thus becoming one of the most developed banking, commercial, and tourist cities of the whole country. We should modernize the facilities and management means of the major industries, and make the service quality attain the country's first-grade level, in

an effort to meet the needs of the country's modernization construction, the development of the socialist commodity economy and the daily improved living standards of the people in the capital.

2. We should unswervingly implement the open policy and further expand foreign economic and technological exchange and cooperation.

We should actively develop export trade, increase foreign exchange earnings, readjust the export product mix, increase the proportion of machinery and electrical products exported, and raise the quality, the prestige, and rate of entering international markets for exports. The growth rate of export trade should be greater than the growth rate of the gross domestic products. By the year 2000, the commodity export volume of the municipality should account for 20 percent or so of the gross domestic products of the municipality.

We should actively and effectively use foreign capital. In line with the state industrial policies and the municipal demands of readjusting the production set-up, we should guide the orientation of using foreign capital, absorb foreign capital and investments from Hong Kong and Taiwan in various forms, improve the investment environment, and actively develop the "joint, cooperatively and foreign-funded enterprises." We should combine the absorption of foreign capital with the technological transformation of the existing enterprises, actively use foreign loans, particularly long-term preferential loans, maintain a rational scale and structure of foreign debts, and establish foreign debt repayment funds and a strict responsibility system over projects.

We should rationally readjust the import structure. In line with the principle of doing things beneficial to technological progress, strengthening foreign exchange earning capacity and the production of import substitutes, we should readjust the import structure. The emphasis of using foreign exchange should be placed on importing advanced technology, key facilities and parts and raw materials in short supply domestically. We should pay attention to intellectual imports and expand technological cooperation and exchanges with foreign countries.

3. We should strengthen urban construction, further improve the outlook in urban and rural areas, and raise their modernization level.

We should revise and strictly implement the Beijing Municipal overall urban construction plan, strictly control the scale of urban development as well as the scale of plots in the central part of the municipality, treasure and rationally use the land, manage the land in line with law, and pay for the use of land; we should uphold the principle of giving simultaneous attention to development and economizing on the use of water with an emphasis in the latter, consider saving water as one of the strategic tasks, grasp it with unremitting efforts, and strive to build Beijing into a water-saving municipality.

We should strictly control the population scope. While persisting in implementing the family planning policy, we must adopt effective administrative, economic and legal measures for strictly controlling and cutting the rapid increase in the population that moves into the municipality. By the end of this century, the permanent population in the municipality should be controlled within 11.80 million persons. Among them, the population of cities and towns should be controlled within 7.35 million persons.

We should continue to put the construction of urban infrastructures as the first task of urban construction. By 2000, the water supply, water drainage, gas supply, heating supply, power supply, post and telecommunications, disaster prevention, and urban traffic should basically meet the needs of urban development. The rate urban residents will reach in optimizing their cooking fuel is 95 percent. The majority of new civilian buildings in urban areas will be equipped with central heating. The capacity of the municipality's telephone switchboard will reach more than 1.8 million lines, and the number of urban households with a telephone will reach about 35 percent. The strained power supply will be basically relieved, and the urban traffic will be greatly improved.

We should accelerate the construction of urban residential houses, vigorously rebuild the dangerous and out-dated houses block by block, and further carry out the construction of satellite towns and new rural villages. In the next 10 years, the municipality will build urban houses totaling about 50 million square meters of floor space, basically complete the rebuilding of dangerous and out-dated urban houses, and will basically deal with the serious difficulty encountered by urban households. Based on continuous construction of the four satellite cities, the municipality will also build some new ones. It will build some towns that have strong points and have been modernized in certain ways. They will also be qualified to hold trade fairs so that they can become the center of rural economy and culture and a link of economic exchanges between urban and rural areas. In line with the unified plan, new socialist rural villages will be built.

We should vigorously enhance efforts to protect the environment, continuously green and beautify the capital, and protect or improve the ecology of both urban and rural areas. Efforts should be made to make environmental protection a priority, to emphasize prevention or control of air pollution and protection of the sources of potable water, and to deal with the urban problems of pollution caused by the water of lower reaches of the rivers and by solid waste. By 2000, the municipality will try to cleanse several seriously polluted rivers throughout the municipality. It will strive to dispose of the 60 percent of urban solid garbage without harm. Thus, the environment as a whole will meet the needs for holding an international Olympiad. We should continuously and extensively mobilize the forces of various social circles to vigorously plant trees, to make the sandy wasteland and the wasted mountains green, to

plant trees on the wasted mountains 1,000 meters above sea level, and to enable the forest coverage of suburban areas to reach about 40 percent. Urban areas should develop public meadows, make the gardens more artistic, and upgrade their forest coverage to about 35 percent.

4. We should give developing science and technology, as well as education, an important strategic position. We should shift the development of the national economy to a reliance on scientific and technical progress and to upgrading the quality of personnel.

We should realistically implement the "basic guideline" of resolutely relying on science and technology in conducting economic construction and on having scientific and technical work be geared to economic construction. We should bring into play the leading role of science and technology in carrying out economic construction. Efforts should be made to deepen the reform drive in the scientific and technological systems, to broaden international scientific and technological cooperation, to improve the policy of encouraging enterprises to make scientific and technological progress, to increase the funds of investments, and to enhance the construction of bases in charge of developing technologies for specific industries and trades. We should further bring into play the capital's strong areas of science and technology and into full play the scientific and technological forces managed by the central authorities in Beijing. Efforts should be made to enhance the comprehensive actual strength of science and technology and to strive to enable science and technology in some fields to almost reach or reach the international advanced level.

In line with the key projects of the capital's program of building modernizations, we should organize all forces to overcome the technical difficulties and provide scientific and technological guarantees for the program. Efforts should further be made to establish the mechanism that can closely combine science and technology with the economy, to continuously regard economic construction as the main battlefield of scientific and technological work, and to accelerate the pace of turning scientific and technological results into production.

We should put the work of researching and developing high and new technologies as well as of industrializing these technologies in a prominent position. By emphasizing the four fields of electronic information, the integration of machinery and electronic production, new kinds of materials, and biological technologies, efforts should be made to score breakthrough achievements in a dozen fields of high technologies and to lay a foundation for the development of newly rising industries. We should accelerate the construction of the Beijing development and experimental zone of new and high technological industries and the scientific and technological zones of Changping and Fengtai, thus enabling them to exert influence on high technologies and to pass high technologies onto traditional industries.

We should intensify the research and application of philosophy and social sciences, and give play to the important role of philosophy and social sciences in the modernization drive of the capital. We should focus our study on the important tasks of economic and social development, reform, and opening up of the capital in the 1990's so as to serve the endeavor of building the socialist material civilization and spiritual civilization.

We should continue to greatly develop education to raise the quality of the people of various nationalities throughout the municipality. We should implement the principle of making education serve socialist modernization, integrate production with labor, and train morally, intellectually, and physically developed constructors and successors. Schools of all categories should put moral education in the first place, intensify education in Marxism, socialism, patriotism, the legal system and discipline, strengthen ideological and political work, and realistically improve the quality of education. We should continue to deepen educational reform, adjust its structure, raise funds from various quarters to increase the invest, and establish an initial education system that reflects the characteristics of the capital and is geared to the needs of the 21st century. We should particularly intensify elementary education, comprehensively implement the nine-year compulsory education, and make education at the senior middle school level by and large universal in the city proper. We should attach importance to and develop preschool education, and achieve success in the special education of handicapped and mentally retarded children. We should greatly develop vocational and technical education, and establish the system of pre-employment training. We should actively develop adult education, and emphasize on-the-job training to improve the political and professional qualities of incumbent personnel. We should develop higher education in a steady manner, rationalize its structure and geographical distribution, and develop specialized education in a proper manner. We should continue to give play to the role of the capital as a higher educational base in the country, and enable the education of the municipality to become first-rate in the country. In the next decade, we should bring up approximately 1 million high- and middle- grade specialized personnel.

We should carry forward the fine practice of respecting knowledge and trained personnel, and adopt effective measures to improve the work and living conditions of intellectuals. We should intensify continued education to further improve the political and professional qualities of intellectuals. We should give full play to their initiative so that their specialized knowledge can be put to the best use.

##### 5. We should improve the people's living standard, and develop social security undertakings.

The material and cultural life of urban and rural people should be improved in correspondence with economic development. First, the actual income of urban and rural people should increase gradually, their consumption

pattern should be further improved, and the use of their living expenses should be gradually changed from food and clothes mainly to the purchase of houses and consumer durables and to cultural activities. Second, the housing environment and housing conditions should be notably improved. Third, the people's cultural and health levels should be further raised, their period of schooling should be extended from the current 8.6 to 9.5 years per capita, their cultural activities should be rich and colorful, and their life expectancy should be lengthened. Fourth, public utilities and service trades in the service of the people should be developed substantially so that the people's life can become more convenient.

We should adhere to the basic national policy of family planning, continue to control the natural growth of the population, and improve the quality of the population. We should improve the municipal, county (district), township (neighborhood) and village (neighborhood committee) family planning networks, and enable family planning policies and measures to be implemented at the grass-roots levels. We should emphasize the family planning in rural areas and for transients. The average annual birth rate should be kept within 13 per thousand in the next 10 years.

We should continue to develop medical work to improve the people's health. We should improve the disease prevention and medical treatment networks, and establish a three-level epidemic prevention network. We should establish and improve the medical insurance and rural cooperative medical treatment systems to continuously raise the medical quality of the entire municipality. The number of hospital beds in the municipality should be increased to 70,000 by the end of this century.

We should ceaselessly expand channels for employment, appropriately arrange jobs for urban and rural people, and bring the urban job-awaiting rate within 1 percent.

We should develop social relief facilities and social welfare facilities, and set up and perfect social guarantee systems, including providing insurance for the unemployed. We should strengthen the work toward the aged and perfect the system of insurance for the aged.

##### 6. We should persistently conduct and deepen the economic structural reform.

We should persistently take public ownership as the main body, appropriately develop other sectors of the economy, and form an ownership structure with which various economic sectors are able to make common development and that is suitable to the productive forces of the current stage.

We should persist in the principle of separating government functions from enterprise management and separating ownership from managerial right, gradually set up a state-owned enterprise managerial mechanism with vitality and competitiveness, and make the majority of

enterprises actually become socialist commodity producers and managers who exercise independent management, assume sole responsibility for profits or losses, make self-restriction, and seek self-development.

We should basically set up a price fixing mechanism and a price management system that are suitable to the development of the socialist commodity economy. The prices of some major commodities and the charges of the labor services that have a bearing on the people's livelihood should be fixed by the state while the prices of ordinary commodities and general labor charges should be regulated by the market.

We should gradually balance the relationship of distribution among the state, the collectives, and individuals; between different departments; and between different trades. The payment for labor should be defined in line with labor conditions, the degree of arduousness, technical levels, the degree of responsibility, and labor achievements. It is necessary to set up a mechanism for readjusting and controlling labor wages, persist in the principle of taking distribution according to work as the main body with other distribution forms as supplement, and set up a reasonable income distribution system.

We should set up and perfect a local macroeconomic readjustment and control system where planned economy is linked with market regulation, direct regulation and control are linked with indirect regulation and control, and economic and legal means are coordinated with administrative means.

According to the aforementioned requirements, we should positively, steadily, and coordinately promote the reforms in various spheres.

#### 7. We should continue to strengthen the construction of socialist democracy and the legal system.

We should strive to expand socialist democracy, set up and perfect the procedures and systems for democratic policy decisions and democratic supervision so as to make the people better exercise the right of being the masters of the country.

We should strengthen the improvement of the legal system, perfect administrative rules and regulations, strengthen the enforcement of laws governing administrative work and the supervision of the enforcement of the laws governing the administrative work, popularize awareness of the legal system, enhance the people's understanding of the legal system, and bring the work in all spheres into line with the legal system.

#### 8. We should strengthen the construction of socialist spiritual civilization.

We should unswervingly adhere to the four cardinal principles and persist in education on and the struggle against bourgeois liberalization. We should vigorously strengthen the ideological and political work so as to make the vast number of the people have firm belief in socialism, foster thoughts of patriotism and collectivism,

kindle the national spirit, and positively engage themselves in socialist modernization. We should extensively launch the mass campaign of the socialist spiritual civilization, foster fine social practice and morality, strengthen the overall improvement of social environment, create a clean, civilized, and beautiful environment, and form good social order.

The goals to be attained and the major tasks in the next 10 years should specifically be carried out in such two stages as the Eighth Five-Year Plan period and the Ninth Five-Year Plan period. In the Eighth Five-Year Plan period, we should focus our efforts on improving the economic environment, rectifying the economic order, continuously deepening reforms, making structural readjustment, increasing economic results, further improving the functions of the city, and laying a good foundation for the development in the Ninth Five-Year Plan period. In the Ninth Five-Year Plan period, we should make noticeable progress in perfecting reforms, optimizing structures, upgrading economic quality, and improving the modernization level of the city; and strive to comprehensively realize the objectives and tasks covered in the 10-year program.

### 3. Major Tasks of the Eighth Five-Year Plan

In the Eighth Five-Year Plan period, we should accurately handle the relationship between the work of improving the economic environment, rectifying the economic order, and deepening reforms and the economic development. In the initial stage of the Eighth Five-Year Plan period, we should continue to improve the economic environment and rectify the economic order, deepen reforms in line with the improvement of the economic environment and the rectification of the economic order, and make development in the course of improving the economic environment and rectifying the economic order. After basically accomplishing the basic tasks for improving the economic environment and rectifying the economic order, we should shift the focus of our work on development, continue to improve the economic environment and rectify the economic order in the course of development, positively promote reforms, and strive to promote economic and social development.

The major targets for national economic and social development in the Eighth Five-Year Plan period are arranged as follows:

In the scale and the speed of economic growth, if calculated in terms of the 1990 constant prices, the GNP in 1995 should reach 67 billion yuan, an annual average increase of about 5.5 percent. Of this, the total agricultural output value should reach 8 billion yuan, an annual average increase of 3 percent; and the total industrial output value should reach 106 billion yuan (including that realized by the industry at or below the village level), an annual average increase of 6.3 percent.

The volume of retail sales of commodities should reach 49.5 billion yuan in 1995, an increase of 60 percent over 1990.

The foreign export trade volume should surpass \$2 billion in 1995, an annual average increase of 8.7 percent.

All trades should exert great efforts to improve their product quality, increase the varieties of products, reduce the consumption of energy resources and raw materials, and increase their economic results. The proportion of the products organized by key industrial enterprises according to the international standards and the foreign advanced standards should rise from 30 percent in 1990 to about 50 percent, the general energy consumption for per 10,000 yuan worth of industrial output value should be reduced from 2.36 tons of standard coal to 2 tons of standard coal, the water consumption for per 10,000 yuan worth of industrial output value should be reduced from 135 tons to 119 tons, the per capita labor productivity of state-owned independent accounting industrial enterprises should increase by 3.5 percent annually, the capital profit and tax rate of local budgetary industrial enterprises should rise from 20.7 percent to 23 percent, and the turnover of the working funds of local budgetary industrial enterprises should be shortened from 147 days to about 100 days. The yearly agricultural labor productivity should rise from 8,700 yuan to about 12,000 yuan, an increase of 40 percent in five years. The commodity circulation funds of large- and medium-sized wholesale and retail sale enterprises should be reduced by 1 percent annually, the profit and tax rate of circulating funds should rise by 3 percent annually, the per capita labor efficiency rate should increase by 9 percent annually, and the rate of readily marketable commodities should not be lower than 90 percent. The rate of good-quality construction projects should increase from 38 percent to 50 percent, the labor productivity based on the number of completed projects should rise by 10 percent, and the rate of usable capital construction fixed assets of state-owned units should rise from 62.5 percent in the Seventh Five-Year Plan period to 75 percent.

In the scope of the investment in fixed assets and the scope of construction, excluding price rises, the accumulated fixed asset investment of the entire Beijing Municipality of the five years should be 106 billion yuan, averaging an annual increase of 6 percent; of which local fixed asset investment should be 61 billion yuan, averaging an annual increase of 7.6 percent. More than 9 million square meters of houses should be completed every year, roughly the same as the current level. In finance and banking, the accumulated local revenues should be 42 billion yuan in the five years, averaging an annual increase of 4 percent or a little more, and we should strive to make financial revenues and expenditures basically balanced. The value of the savings deposits of monetary organizations throughout the

municipality should be 150 billion yuan by 1995, averaging an annual increase of 11 percent; and that of loans should be 107 billion yuan, averaging an annual increase of 13 percent.

In education, a total of 510,000 high- and middle-grade specialized personnel should be brought up in the five years, and the average period of schooling of urban and rural people should be extended from 8.6 to nine years per capita.

In public health, hospital beds should be increased by 6,000 in the five years.

In population, the municipality's permanent population should be kept within 11.05 million by 1995, of whom the urban population should be kept within 6.86 million; and the birth rate should be kept within 13 per thousand.

In the people's living standard, the actual consumption level of urban and rural people should increase by 3 percent on average every year.

#### 4. Tasks and Measures for Developing Major Economic Departments During the Eighth Five-Year Plan Period

##### A. Agriculture and the rural economy.

1. We should regard the efforts to strengthen agriculture and facilitate the stable and coordinated development of the rural economy as a long-term strategic task to ensure the thriving market and social stability of the capital. By 1995, the total product of rural society should reach 46 billion yuan, an average annual increase of approximately 10 percent in terms of comparable prices.

2. We should continue to give prominence to the production of nonstaple food in order to supply abundant and varied nonstaple food to the market of the capital. We should greatly intensify efforts to build nonstaple food production bases and provide them with necessary facilities, improve the service system, and further modernize production so that the production bases can be built on a more stable foundation. While stabilizing the acreage sown to vegetables, we should give priority to the construction of the 100,000-mu modern vegetable production bases to ensure 500 grams of fresh vegetables for each urban people every day. On the premise that only high-yielding cows are bred selectively, the number of cows should be increased to 65,000, and the annual amount of fresh milk they produce should be 250 million kg. We should fully develop the role of the existing pig farms of collective scale, carry out scientific breeding and standardized management, and enable them to produce in full capacity and in a balanced way so as to ensure that 3.5 million head of lean-meat pigs are produced every year. The production of other nonstaple food should be arranged in line with the principle of stabilizing the production scale, increasing output, improving quality and developing brand-name and good-quality varieties. We should also make great efforts to achieve success in the intensive processing of farm and sideline products.

3. We should pay close attention to grain production. We should continue to adhere to the principle of "stabilizing the acreage, emphasizing the efforts to increase per-unit yields, and increasing output," stabilize the areas sown to grain crops at approximately 4.4 million mu, and increase the total output to 2.75 million tons. We should further step up the construction of the 3 million-mu grain production bases, do a good job in developing low- and medium-yielding farmland, and enhance our capacity for comprehensive grain production.

4. We should support the sustained and healthy development of town and township industrial enterprises. We should conscientiously implement the principle of "opening wider, conducting adjustment, raising efficiency and promoting development," strengthen the guidance and management of town and township industrial enterprises, further adjust the enterprise structure and product mix, and organize enterprise groups. We should facilitate technological progress, do a good job in the development of new products, raise the quality and economic efficiency of enterprises, and maintain an appropriate growth rate. The output value of town and township industrial enterprises should increase by approximately 12 percent every year.

5. We should accelerate the development and construction of mountainous areas, and speed up the pace of extricating poverty-stricken townships and villages from poverty and making them prosperous. Development and construction of mountainous areas are an important task for the municipality, and we should make support to such areas a priority in the fields of financial resources, material resources, educational funds, and science and technology in order to change the outlook of such areas. We should again formulate and implement the plan for the "project of turning poverty to prosperity." We should persist in the principle of supporting the poor with focus on economic development, and enable poverty-stricken townships and villages to become prosperous through their own efforts. We should further implement the various preferential policies toward minority nationalities townships and villages in order to accelerate their economic development.

6. Major measures for developing agriculture and the rural economy are as follows:

We should persistently develop and expand the collective sector of economy, and deepen the rural economic structural reform. We should perfect and improve the moderately larger scale management, with the development of the collective economy predominant, which implements the output-related contract responsibility system. We should further develop the township and village cooperatives, and consolidate and perfect the township (town) cooperative economic organizations. A small number of localities, which implement the household-based output-related contract responsibility system, should further expand the collective economy and attend to socialized service.

We should continue to grasp the work of "invigorating agriculture through science, technology, and education." We should strive to strengthen the ranks of agricultural scientific and technological workers, vigorously train agricultural scientific and technological talents and managerial talents, and perfect the scientific and technological service systems of various cities, counties (districts), townships, and villages. We should accelerate the study of advanced science and technology as well as the popularization and application of scientific and technological research achievements. We should continue to carry out the "Spark Plan," strengthen education on rural culture and technological knowledge, and constantly improve the quality of peasants.

All cities, counties (districts), townships, and villages should continue to increase input in agriculture, and perfect the system on accumulation of the collective economy. We should encourage and guide peasants to increase fund input and labor input in farming, and raise the level of mechanization of agriculture. We should make industrial enterprises and the units of various other trades strengthen support of agriculture, and increase production and supply of means of agricultural production.

We should strengthen the construction of agricultural infrastructure. We should firmly grasp the farmland capital construction, and attend to the comprehensive development and utilization of Chaobai He. We should strengthen the building of the processing, storage, and transportation of agricultural sideline products, and gradually realize the combination of production, supply, and marketing of agricultural sideline products.

## B. Industry

1. We should maintain an appropriate and stable increase in industrial production. By 1995, the total industrial output value (including the industries at or below the village level) should reach 106 billion yuan, if calculated in terms of the 190 constant prices; the amount of supplied exported commodities should reach 10 billion yuan, and create 30 to 50 varieties of competitive products whose amount of foreign exchange earned from export reach \$10 million each.

2. We should adopt effective measures to promote industrial development.

We should readjust structure, and emphatically develop an industry suitable for the characteristics of the capital. We should readjust industrial structure to adapt it to the demands of domestic and international markets, in line with the "five-less and two-high" principle (less energy consumption, less water consumption, less materials consumption, less land use, less pollution, high added value, and high technology-intensive degree). We should place the development of the electronics industry in a prominent position, and make this industry gradually become the leading industry of the municipality. We should positively develop the motor industry, and make it bring along the development of related industries. We

should vigorously develop and produce high, precision, and highly sophisticated products, and promote the industrialization of high and new technology. We should continue to develop the food industry and other light and textile industries, and enhance such industries' export capacity and the capacity of earning foreign exchange. We should reorganize and renovate the machinery industry; enhance its technological and equipment levels; and carry out the specialized and coordinated production, headed by a group of competitive products and with key and backbone enterprises as the foundation, in order to form a large scale of economy and a complete production capacity. We should use advanced technology to equip and renovate the metallurgical, chemical industrial, and building materials industries. We should control pollution, cut energy and water consumption, and develop the deep processing products. We should eliminate a number of products with inferior quality, serious pollution, and high energy and water consumption; and should integrate those money-losing enterprises that are unsuitable for the industrial policy, or switch them to the manufacture of other products.

We should increase the funds of investments, actively and effectively utilize outside funds, and reinforce the reserve strength of industrial development. Efforts should be made to continuously enforce the "policy" of giving in advance in order to take, to make full use of funds including outside capital, and to conduct technical renovations among the existing enterprises. We should import in a timely manner the advanced technologies, equipment, and managerial experience of foreign countries; conduct reform in specific fields among large- and medium-sized enterprises; vigorously develop "three capital" enterprises; and build a large number of backbone projects of production.

We should adopt the method of integrating independent development with the import of foreign countries' advanced technologies, actively make use of electronic technology to reform the traditional industries, accelerate the technical progress of enterprises, and upgrade the level of automatizing the crucial equipment. Large- and medium-sized enterprises should reinforce their use of scientific and technological development and enhance their capability of assimilating the advanced technologies and increasing the variety of new products. Efforts should be made to vigorously apply the new scientific and technological results and establish new mechanisms in which the scientific and technological progress must be used in developing production, increasing the variety of products, and upgrading the quality and benefits.

We should firmly foster the idea of regarding economic results as a center and products' quality as the first tier; concentrate our efforts on improving the craft and technical management and business management; and strive to reach the advanced level of the country in the targets of achieving economic results and of per unit consumption in raw materials, energy, and water.

In line with the unified plan for both urban and rural areas and the principle of dividing the work reasonably, we should readjust the industrial arrangements to promote harmonious development between urban and rural industries. The state-run large- and medium- sized enterprises should show their products to town-run industrial enterprises; pass their technologies to them; give them a helping hand of supplemental personnel; help them achieve development; and establish with them the relationship of a reasonable division of work, mutual cooperation and coordination, a mutual supplement in strong points, and mutual benefits. The plants (workshops) which have caused pollution and disturbed the residents in urban areas should be continuously moved to suburban areas in a planned manner, and we should consolidate them in a comprehensive way so as to strictly prevent them from expanding their pollution. Efforts should be made to accelerate the pace in formulating plans, to raise funds through various channels (including the utilization of outside capital), and to develop the Yizhuang industrial zone.

### 3. The development tasks of major industries and trades are as follows:

In developing the electronics industry, we should concentrate our efforts on developing on a large scale microwave electronic technologies and products with integrated circuit as representatives; on emphatically developing products requiring investments, such as calculators, telecommunications equipment, and numerically controlled installation of machine tools; on enhancing the software development and in developing in a planned manner the unified products of machinery and electronic instruments as well as electric and electronic products so as to render services for improving the traditional industries; on continuously developing consumer goods, such as color television sets and videotape recorders, and fostering the economic scope, intensified production, and export-oriented industries; and on emphatically building the projects of the NEC large integrated circuits of the capital iron and steel company, the municipal program-controlled telephone switchbroad undertaken by the Beijing cable plant, and the expansion of the Beijing Matsushita Color CRT Corporation. By the end of the Eighth Five-Year Plan period, the municipality will be capable of producing 1.5 million color television sets each year, 3 million color CRT's, 200,000 household videotape recorders, large and small program-control switchboards with 550,000 lines, 50 million large integrated circuits, and 3,000 installations of numerical controllers.

In developing the motor vehicle industry, the municipality should readjust the industrial structure and products mix and foster its whole strong point of motor vehicle industry. It will organize the work of assimilating the production technologies of a series of imported products, such as Cherokee Jeeps and 50 Isuzu light trucks, so as to turn them into domestic ones as soon as possible; gradually upgrade its capability and level of

developing new types of cars independently; and conduct reform in the basic crafts and among the enterprises in charge of producing vehicle parts. Efforts should be made to utilize outside capital to conduct reforms by coping with key problems in the backbone enterprises, such as the Jeep Car Limited Company, the Light Truck Limited Company, the internal-combustion engine plant, the gear wheel general plant, and the automobile and motorcycle joint manufacture corporation; to establish a large number of plants in charge of repair and maintenance as well as of producing vehicle parts; and to bring along the development of a large number of relevant enterprises. By the end of the Eighth Five-Year Plan period, the municipality will be capable of producing 180,000 motor vehicles each year, of upgrading the rate of turning the imported technologies into domestic ones to more than 80 percent, and of improving the quality of car repair and maintenance to the level reached at the end of the 1980's.

We should develop the food industry and other light and textile industries. In the food industry we should emphasize efforts to increase variety and improve quality. The focuses are to develop basic raw materials, such as special flour, special fat and denatured starch, and seasoning for daily use; and to actively develop various types of food of different functions, Chinese-style instant food, middle- and high-grade tourist food, and brand-name and good-quality food to meet the consumer demands at various levels and to expand our foreign exchange-earning capacity to a certain extent. In the textile industry, we should actively use our chemical fiber resources to develop different varieties of chemical fiber, develop the 66,000-ton polyester chipping project, and increase the supplies of the raw materials for chemical fiber. We should properly develop the production of high-grade cloth with an aim to produce garments and other finished products; and should adjust the mix of export products, and strive to develop and increase the products with high added value to further enhance our capacity for earning foreign exchange through export. In other light industries, we should put more effort into variety and quality, upgrade and update household electric appliances, and develop various kinds of high- and middle-grade cosmetics. In industrial art, we should maintain the characteristics of the capital, and strive to produce new products to expand the world market. The focus of the printing industry is to improve the printing quality and the grade of printed materials. We should make active efforts to develop the packing industry, and improve the packing level of commodities.

In the machine industry, the focus is to strengthen the cooperation, reorganization, and technical transformation of enterprises to improve their quality, variety, basic work, and levels of producing whole sets of machines. We should establish a batch production capacity for producing numerical-control machine tools, processing centers, and flexible units to maintain our leading position in the country. We should gradually establish a capacity for producing whole sets of thermal power

generating units with 300,000-kw units as the main power source; raise the level of basic components and concentrate efforts on the transformation of hydraulic component production lines; strive to improve the quality and increase the variety of color printing machines and forklifts, and turn them into highly competitive products for export; develop automatic instruments; and renovate and improve the farm machinery industry.

In the chemical industry we should emphasize the development of organic chemical raw materials, refined chemical products, and medicines. Aiming at the construction of the 115,000-ton ethylene project, we should technically transform the Dongfang Chemical Industrial Plant, the organic chemical industrial plant, the No. 2 Chemical Industrial Plant, the No. 4 Chemical Industrial Plant, and other old enterprises. By the last stage of the Eighth Five-Year Plan period, we should establish a capacity for producing 400,000 tons of ethylene, 150,000 to 160,000 tons of chemical fertilizer, and 2 million sets of motor vehicle tires.

In the metallurgical industry we should make great efforts to tackle pollution, save energy resources and water, and adjust the product mix. We should tap the potential of the existing equipment, adopt new technology and measures to carry out supporting transformation, and increase the variety and quantity of steel plates and tubes. The focus is the construction of the 2,060 hot-rolled sheet metal project, the cold-rolling supporting transformation project, and the hot-rolled seamless tube project. We should take advantage of the relocation of the Beijing Steel Plant to develop good-quality and special rolled steel. By 1995 the output of steel plates and tubes should account for approximately 40 percent of the output of rolled steel, and 85 percent of the rolled steel should be produced according to international levels and international advanced levels.

In building materials, we should pay close attention to energy and water conservation and tackling pollution. The focus is to technically transform old enterprises, and develop good-quality and high-grade cement. We should actively develop new partition materials and sanitary fittings, and strive to develop new, light, and energy resource-efficient basic materials. By 1995 our cement production capacity should reach 4 million tons.

We should accelerate the pace of carrying out construction of coal and energy. During the Eighth Five-Year Plan period, the newly installed increased capacity will reach 1.15 million kw and the newly increased annual power output will reach 6 billion kwh. The municipality will fulfill the tasks of expanding the third heat and power plant; and by cooperating with the Ministry of Energy Resources and the Huaneng International Power Development Company, will build the Shisanling electric power station with energy from pumped water, the Gaobeidian heat and power plant, the Sanhe power plant, and the second-phase project of the Shalingzi power plant. Efforts should be made to stabilize the coal

output and to improve as much as possible the conditions of miners in the production at local collieries.

### C. Building Industry

The municipality should vigorously upgrade the technical and managerial levels in the building industry and have the industry seek survival by improving its quality and development by joining in competition. The output value set in the 1995 plan for local construction projects will reach more than 10 billion yuan. During the Eighth Five-Year Plan period, the municipality will make marked progress in the following several aspects:

1. Efforts should be made to upgrade the level of design; to integrate national cultural traditions with contemporary characteristics; to have the design of important public buildings reach world standards; and to have the design of general civilian buildings follow the principle of being applicable and economical and yet of being artistic under the possible conditions. In carrying out various designs, we should take into consideration the traffic of handicapped people and popularize the design without obstacles to them. In designing housing, we should strive to enable the design to become flexible and we should pay attention to leaving rooms for improving the residing conditions and upgrading the residences. In carrying out all designs, attention should be paid to adopting the advanced technology; fixing reasonable quotas; selecting building materials of new style and light quality and with the capacity to save energy; and bringing the design budget under strict control.

2. Efforts should be made to upgrade the quality of construction enterprises and of the contingent of construction personnel; and to continuously consolidate, clear up, and curtail the construction enterprises of poor quality. During the Eighth Five-Year Plan period, the municipality will control the total number of construction personnel within about 700,000. It will gradually readjust the structure of the types of construction work and the structure of personnel ages; increase the proportion of personnel working on the forefront; enhance the training work among cadres, staff members, and workers; and maintain a backbone contingent of construction personnel with higher quality and capabilities.

3. Efforts should be made to foster the idea of regarding quality as primary, to ensure the quality of projects, and to improve the rate of fine quality construction work. We should strictly improve the systems of management, inspection, and supervision over construction work quality as well as the system of awarding the outstanding and punishing the backward.

4. Efforts should be made to adopt realistic measures to improve the rate of putting fixed assets into use and to lower the cost and prices of construction projects. We should enhance construction management, formulate and strictly enforce the system of carrying out budgetary estimates for construction projects, realistically deal with the problem of the cost of construction projects seriously surpassing the budgetary estimate and the of

the construction period being delayed, and adopt all possible ways and means to save investments.

5. Efforts should be made to develop the trades of decorating completed houses and maintaining them and to establish a contingent of specialized personnel with a higher technical level.

6. Efforts should be made to continuously deepen the reform drive; to improve the system of conducting public bidding for construction projects, the system of contracting general responsibility for drawing up projects, and the manager responsibility system for carrying out the construction of projects; to further enforce public bidding for design projects and the system of appraising designs; and to continuously reform the system of employing workers.

### D. Several Tertiary Industrial Trades

During the Eighth Five-Year Plan period, the tertiary industry should achieve development in the following two aspects: First, the development speed of tertiary industry should be higher than that of the first and secondary industries. Second, the tertiary industry should continuously broaden its service fields and take a great step in establishing its system of rendering services for the capital, having its services be geared to the country as a whole, and obtaining all necessary functions. The businesses of providing information, consultation, and real estate, which are still weak at present, should achieve breakthrough development and gradually become important trades.

#### 1. Commerce

We should vigorously develop commerce and ensure that the total volume of retail sales of commodities increase by 10 percent annually.

By deepening reforms, we should further pioneer marketing, and preliminarily set up a highly efficient market system in which the markets in the capital smoothly open to the whole country. We should ceaselessly widen the marketing and service spheres, satisfy the demands of the consumers at various levels, and make markets brisk and flourishing.

We should accelerate the establishment of commercial networks and facilities and upgrade the modernized level of commerce. According to the principle of unified planning and reasonable distribution, the municipality should establish 30,000 new commercial networks and focus its efforts on building several large- and medium-sized multi-functional, modernized shopping centers in five years. Simultaneously, new commercial buildings should be built at Beijing railway station, the western section of Beijing railway station, Madian, Dongda-qiang, and Shuangyushu. It is also necessary to accomplish the tasks for rebuilding and expanding Xidan shopping center, a department store, Ganjiakou shopping center, the first-phase project of Dongan market, and the vegetable market at Chaoyangmeng; and to build

and expand about 10 industrial products and farm and sideline products wholesale markets and more than 50 general retail sales country fairs. We should also speed up the construction of storage facilities and strive to add 1 billion kg of grain storage capacity.

We should improve the managerial levels and economic results. The municipality should strive to stand among the advanced in the country in terms of the commodity circulation funds, the profit and tax rate of the working funds, and the per capita labor productivity.

We should enhance the sense of being the capital, strengthen the establishment of services, improve service forms, and upgrade the quality of services. We should ensure to provide standardized services, to treat guests in a civilized and polite manner, and to create first-class service.

In line with the principle of vigorously developing collective enterprises, and with encouraging individual management of the state-owned commerce and supply and marketing cooperatives playing a dominant role, we should carry out the method of allowing those who invest and engage themselves in management to benefit; break the bounds of different departments and different trades; and mobilize all social forces to vigorously run retail sales commerce, country fairs, the catering trade, and service trades.

## 2. Supply trade and supply and marketing cooperatives

We should organize and guide the supply of major capital goods in line with the principle of ensuring the demands for key construction projects in the capital, the form of distributing goods and materials according to the mandatory plan and in the order of the importance of the products, the form of purchases based on contracts, the form of linking production with demands, the form of fixing the amounts of goods and materials to be supplied to fixed areas on the premise of not fixing the prices, and the form of free purchases and sales.

Supply departments should improve control over the supply of goods and materials, do a good job in directing the supply and demand of goods and materials, formulate and perfect the policies and regulations on macroeconomic readjustment and control, make efforts to apply economic levers to readjusting and controlling the supply of goods and materials, expand, in a well-planned manner, the market's regulatory functions, and further consolidate the order of the capital goods markets.

Supply enterprises should improve the thinking of management, serve the grass roots, strengthen enterprise management, speed up the circulation of goods and materials and reduce the number of intermediate links in line with the principle of rationalizing the economy, and make supply enterprises and supply and marketing cooperatives become more specialized. We should rebuild and build, in a well-planned manner, a group of storage facilities and supply and marketing networks.

## 3. Tourism

We should vigorously pioneer tourist markets, develop various types of special tours, coordinate large key tourist facilities with scenic spots, develop a group of new tourist spots and scenic spots, speed up the development of high quality and tourist products in good taste with Beijing's characteristics, upgrade the tourist service quality, and widely attract tourists. While focusing on developing overseas tours, we must not ignore the opening of tours at home. In 1995, the municipality should accept 1.6 million foreign tourists and strive to earn more than \$1 billion in foreign exchange from tourism, and accept 150 million tourists from other places in the country.

## 4. Real Estate

We should gradually develop the real estate trade in line with the orientation of gradually implementing the paid use of land and the commercialization of residences. We should formulate pertinent rules, regulations, and policies; develop the real estate market; and gradually expand the scale of land and real estate management in order to make the real estate trade begin to take shape.

## 5. Information and Consultative Services

We should emphatically grasp the building of the municipal information system, and establish the economic, scientific and technological, educational, and cultural information production bases. We should firmly grasp the popularization of computers, and grasp the development of joint computer networks and software in order to gradually form an information service trade with multiple levels, multiple functions, and diverse forms. By taking full advantage of Beijing's superior development of science and technology and having a vast amount of information data, we should vigorously develop the consultative service trade in order to provide good consultative services for leading organs, enterprises, establishments, and foreign firms.

## E. Geological Prospecting and Meteorology

### 1. Geological Prospecting

Geological prospecting constitutes an indispensable pre-stage job to develop basic industries and build infrastructure, and thus must actually be strengthened. We should unfailingly grasp the prospecting and research of basic geology, hydrogeology, engineering geology, environmental geology, and agricultural geology. We should continue to carry out prospecting of resources of underground water, terrestrial heat, and mineral products. We should strive to achieve success in the protection, supervision, and management of mineral resources, underground resources, and the geological environment. We should strengthen the prospecting, monitoring, and forecasting of geological calamities, and strengthen the scientific detection and forecasting of earthquakes.

### 2. Meteorology

We should build a modernized weather monitoring, forecasting, and service system in order to facilitate economic development. We should accelerate the pace of developing and utilizing meteorological resources, enhance our capacity of monitoring and forecasting disastrous weather, enhance the accuracy rate of short-term and medium-term weather forecasting, and vigorously carry out experiments for artificial rainfall increase and hailstorm control operations to enhance our capacity of resisting meteorological disasters.

#### **F. Lateral Economic Integrations**

In line with the principles of making overall planning, compensating each other's weakness with superiority, paying equal attention to each other's interests, and striving for a common development, we should vigorously promote the municipality's lateral economic integrations with fraternal provinces and municipalities. We should take advantage of the capital's scientific and technological superiority to organize and attract the central authorities' scientific and technological forces in Beijing to conduct scientific and technological cooperation. We should continue to establish a number of foodstuffs and raw materials supply bases in other provinces and autonomous regions in order to facilitate the capital's economic development and the people's livelihood. At the same time, we should support fraternal provinces, municipalities, and autonomous regions to develop their economy. We should explore ways of breaking with the "three no changes" (no change in the ownership system, in administering relations, and in the revenue of delivery channels). We should organize and establish trans-regional enterprise groups. We should continue to develop the north China economic and technological cooperation, and promote the development of the economic coordination zone around Beijing.

#### **G. Conservation and Comprehensive Utilization of Natural Resources**

We should grasp the conservation of energy resources in a protracted and unswerving manner by regarding it as a strategic principle. We should gradually build Beijing into an energy conservation type of city. At the same time, we should unfailingly grasp the conservation of energy resources and the comprehensive utilization of natural resources.

Energy conservation depends on 1) science and technology, 2) management and 3) investment. Technologically advanced and energy-saving equipment and measures should be adopted in the development of new projects and the technical transformation of old enterprises. We should strengthen management, and establish and improve the energy-consumption appraisal system to reduce the energy consumption of products. We should increase the investment in energy conservation projects. We should greatly develop, manufacture, and use new energy-saving products, and organize satisfactorily the application of major energy conservation measures, with the focus on energy conservation in the

construction of houses, and adoption of new thermal insulation materials in the construction of heat supply networks. We should reform our work measures, adopt new technology, save raw materials, and reduce the consumption of raw materials to raise their overall utilization rate. We should intensify efforts to recycle old and waste materials and to comprehensively utilize renewable resources, and organize well the utilization of garbage and coal ash from power plants.

#### **H. Finance and Banking**

##### **1. Finance.**

Financial departments should support economic development, open up financial resources, and achieve steady growth in revenues on the basis of improved economic efficiency. In line with rational needs in the development of various undertakings of our municipality, we should adjust the expenditure pattern, greatly reduce financial subsidies, and increase investment, particularly in urban infrastructural facilities, agriculture, education, science and technology, and industry on the premise that revenues increase continuously. We should strengthen management of funds, raise the efficiency in the use of funds, and make great efforts to increase income and reduce expenses. We should persistently carry out taxation work according to law, strengthen the collection, management and supervision of taxes, and give play to the macroeconomic regulating and controlling role of taxes.

##### **2. Banking**

We should develop the macro regulating and controlling functions of the Municipal People's Bank of China. The various specialized banks, the branch of the communications bank and other local monetary organizations should strive to expand their businesses in line with their own characteristics and scope of business, and raise funds from various channels. We should make use of Beijing's advantage in the supply of funds, use credit funds in line with the state industrial policy and the development priorities of the capital, and raise efficiency in the use of funds. We should develop the money market in a planned manner, increase our capacity for lending money, and modernize monetary matters and means of management more quickly. We should strive to open up new insurance services, increase insurance programs, and expand the coverage of social security. By 1995, income from the insurance businesses of the municipality should increase by 100 percent over that in 1990.

#### **5. Foreign Trade and Economic and Technological Exchanges During the Eighth Five-Year Plan Period**

##### **A. Import and Export Trade**

1. We should implement the principle of both giving guidance to export and producing import substitutes, actively participate in international competition, greatly develop the export-oriented economy, and expand foreign trade and economic and technological exchanges.

We should achieve marked progress in foreign trade, foreign capital utilization, technology import and export, contracted projects undertaken abroad, and labor service cooperation. We should strive to make the total volume of import and export reach \$15.6 billion in the five years, up 56 percent from the Seventh Five-Year Plan period.

We should draw up preferential policies to vigorously develop technology export and develop the overseas contracting of projects and labor service cooperation with foreign countries.

2. We should readjust the structure of commodities to be exported.

We should readjust import structure in line with the principle of facilitating technological progress and helping strengthen enterprises' export capacity and their capacity of earning foreign exchange and producing export substitutes. Foreign exchange should be primarily spent on importing advanced technology, key equipment, and scarce raw materials and materials for agricultural use. We should positively promote the production of export substitutes, and speed up the mastery and application of imported technology and speed up the process of domesticization of imported equipment. We should control the import of the raw materials which can be produced domestically and whose demands are able to be satisfied. We should also control the import of ordinary machinery and electrical equipment. We should strictly restrict the import of luxurious products, expensive consumer goods, and such commodities as cigarettes, spirits, and fruit. We should resolutely prevent blind import and unnecessary duplicate import.

#### **B. Utilization of Foreign Capital, and Import of Technology and Intelligence**

##### **1. Utilization of Foreign Capital**

During the Eighth Five-Year Plan period, the municipality utilized a total of \$2.5 billion in foreign capital. We should guide the direction of foreign investment in line with the state industrial policies and the municipality's demand for readjusting industrial structure. We should focus our efforts on developing the "three-capital" enterprises which apply advanced technology and are able to earn foreign exchange. We should simultaneously develop large-, medium-sized, and small enterprises, with focus on medium-sized and small enterprises. We should lay emphasis on renovating existing enterprises, large- and medium-sized old enterprises in particular, in order to enhance their levels of "technological equipment and management." We should successfully run the "three-capital" enterprises, and help such enterprises solve difficulties in construction, production, and management. We should implement various preferential policies among such enterprises, and exercise supervision and management over them according to law. We should continue to obtain loans from international banking organs and foreign governments. In particular, loans with relatively preferential conditions should be spent primarily on building the

urban infrastructure and environmental protection projects. In utilizing foreign capital and borrowing from foreign sources, we should give full consideration to the coordination and repayment capacity of the domestic funds, should establish a strict responsibility system, and establish a foreign debts repayment fund in order to ensure that foreign debts will be paid back on schedule, and in order to enhance our international prestige.

##### **2. We should further expand the import of technology and intelligence.**

We should gradually increase input in technology import, and enhance the proportion of software import in the total technology import. The emphasis of technology import should be placed on the technological transformation of large-and medium-sized enterprises. We should attach importance to expansion of intelligence import, conduct diverse forms of cooperation with foreign specialists in the fields of product development, technical designing, production management, and operation. We should select and dispatch in a planned way pertinent personnel abroad to receive technological training.

#### **6. Urban and Rural Planning, Construction, and Management During the Eighth Five-Year Plan Period**

##### **A. Urban and Rural Planning and Management**

We should work out planning for urban and rural development in a unified manner, proceeding from the capital's nature as the political and cultural centers of the country. We should revise the "Programs of Overall Planning for Beijing's Urban Construction" in the light of the new problems emerging in the practice of building the capital since the introduction of reform and opening-up.

We should continuously do a good job in district construction planning and detailed planning work; accomplish, as soon as possible, the planning for the construction of counties (districts) and townships; and attend to making plans for the construction of several new satellite cities, several key market towns, a group of small town and township industrial areas, and some new rural areas. Urban construction must be undertaken with plans. The construction projects in the areas under the jurisdiction of the municipality should be decided by the planning department according to a unified plan. Unlawfully occupied areas and unlawfully built projects must be strictly banned and handled according to law. The urban green belts, defined in the overall urban construction plan, must not be damaged. Urban planning should be made closely in cooperation with the planning department and should be implemented to the letter.

##### **B. Conservation and Development of Water Resources**

We should fully understand the grim reality that Beijing Municipality lacks water and we should strengthen the sense of saving water. While continuously urging industries and other trades to economize on water use, we

should focus on saving water for agricultural use, and exert great efforts to turn polluted water into water resources and to urge urban dwellers to economize on water for daily use. We should vigorously develop, manufacture, popularize, and use new water-saving products; develop projects by applying technologically advanced water-saving equipment and advanced water-saving technologies; reduce the water consumption level; upgrade the water reutilization rate; and avoid, in principle, building high water-consumption industrial projects. All trades and professions should increase the input to water-saving projects and carry out water-saving policies and measures. We should readjust water charges, improve the system for assessing the use of water, and further strengthen the planned use of water. In 1995, the municipality should ensure that the water reutilization rate of industrial enterprises exceeds 76 percent, that the total water consumption volume of industrial enterprises is controlled within 900 million tons, and that the urban public water use rate and the rate of water circulating between air conditioners and water cooling systems surpasses 80 percent. Hotels and large buildings should use medium-sized water pipelines. In the Eighth Five-Year Plan period, we should develop 1.5 million mu of water-saving farmland, and ensure that the water consumption for producing 1 ton of grain be reduced from about 600 tons to about 480 tons. While paying firm attention to saving water, we should positively pioneer new water resources and develop water projects in line with the state unified plan.

### C. Land Development, Improvement, and Management

The municipality should form a general plan for developing and improving land, and readjust and improve the distribution of urban and rural productive forces. We should vigorously develop barren hills and land, attend to the land reclamation work, and expand the utilization of land resources. We should make a plan for improving rivers and lakes, developing vegetation, conserving water and soil, and building windbreaks and sand-fixation forests.

We should conscientiously implement the basic state policy of "fully cherishing and reasonably using each and every inch of land and realistically protecting cultivated areas." We should develop a plan for utilizing land, strictly enforce the land management system, strengthen the planned management of land for construction use, strictly enforce the land examination and approval system, and formulate the laws and regulations on managing the vegetable- and grain-growing areas covered in the basic protection quotas. We should carry out, in a well-planned manner, the system for paid use of land and for transferring the possession of land utilization rights, and exercise the land utilization rights according to laws. We should realistically implement, inspect, and supervise various land management laws and regulations.

### D. Population Control

It is necessary to strictly control the population growth rate. While persisting in family planning work, we should control the increase in the number of people moving to the municipality. We should resolutely change the situation where various departments take charge of examining and approving those who move to Beijing, and have the examination and approval rights be grasped by the first- and second-level departments of the central authorities and the municipal government. We should establish the method for managing the population moving to Beijing. We should adopt administrative, legal, and economic means to strictly control the population increase.

### E. Construction and Management of Urban Infrastructures

We should enhance the construction of urban infrastructures; emphatically deal with the prominent contradictions cropping up in water, gas, and heat supply, in telecommunications and urban traffic, and in environmental sanitation; and strengthen the urban capability of preventing and combating disasters so as to enable the urban infrastructure to meet the needs of economic and social development in the capital.

#### 1. Urban water supply

Efforts should be made to increase the capability of urban water supply, to fulfill the second-phase project of building the ninth waterworks, to rebuild the eighth waterworks, and to enable the daily water supply of urban areas to reach 2.78 million tons.

#### 2. Urban gas supply

Efforts should be made to vigorously develop gas production in urban areas and to upgrade the supply of gas for cooking to urban residents. The municipality will complete the construction of projects, including the coal gasification plant under the capital iron and steel company, the additional pipe line diverting natural gas from the Huabei oil field, the double-layer furnace of the Beijing coking plant; and will enable the daily gas supply to reach 4.45 million cubic meters. Efforts should be made to firmly grasp research on the feasibility of diverting natural gas to Beijing from the provinces of Shannxi and Gansu and the Ningxia Hui autonomous region and to conduct early-stage preparatory work for building the facilities of gas resources. The municipality will finish the rebuilding of Xijiao and Nanjiao canister plants, renew the pipe lines which have not been repaired for a long time, and build a third LPG pipe line to ensure the safe supply of LPG.

#### 3. Urban heat supply

Efforts should be made to further develop the central heat supply system and to raise funds through multiple channels at all levels for operating heat supply units. The municipality will fulfill the construction of the pipe line of the Shijingshan heat and power plant, of the pipe-line network of the Gaobeidian heat and power plant, and of

the Dongjiao heat supply plant. Along with building small residential zones, the municipality will build 20-25 large boiler workshops to supply heat, show a 6,270 gill-joule per hour increase in the capability of the central heat-supply system, and will realize central heat-supply systems among most newly-built civilian buildings in urban areas. Efforts should be made to continuously develop heat supply in contiguous areas.

#### 4. Post and telecommunications

Efforts should be made to vigorously develop the undertakings of post and telecommunications and to closely cooperate with the Ministry of Post and Telecommunications in fulfilling the second- phase construction of the post and telecommunications pivot in the Beijing station and the construction of the post and telecommunications pivot in the Beijing west station, and in building a large number of post and telecommunications bureaus and offices. It will raise funds through multiple channels to accelerate the construction of post and telecommunications facilities. In 1995 the capacity of the municipality's telephone switchboards will reach 1.1 million lines and its rate of telephone consumer households will reach about 25 percent. The municipality will basically deal with the problem of malfunctioning telecommunications facilities.

#### 5. Urban traffic

Efforts should be made to continuously enhance the construction of urban roads and to develop urban traffic. The municipality will enforce the principle of integrating the work of building main roads with that of opening up bottlenecks, revamp and newly build several main roads in urban areas, and open up the "bottlenecks" which exert great influence on the municipal traffic. It will fulfill the tasks of building the second outer ring road and revamping the third ring road and the airport road. By combining the operation of dangerous houses reform, the municipality will strive to open up the "block ends" of urban traffic, including Pingan Lane; and to expand or unclog the large streets outside the Guangan and Desheng Gates. Efforts should be made to continuously build main highways linking with outside places; to completely build the Jing-Shi Highway (the third-phase project of building the Beijing section), the Tong-Huang highway, the Shun-Tong highway, and the Shun-Ping highway; and to expand the Jing-Cheng Highway. The municipality will uphold the principle of integrating road traffic with subway traffic and accelerate the construction of additional line of the eighth subway. Efforts should be made to vigorously develop public traffic on roads, to open new traffic lines, and to increase the number of stations and the operation of vehicles. In 1995 the number of vehicles in operation will reach more than 4,500. We should enhance the work of consolidating the traffic in a comprehensive way and improve the traffic situation. Efforts should be made to vigorously expand the capability of railway and airline transportation and to cooperate with the Ministry of Railroads to build the Beijing west station and the associated projects of

building municipal planned roads and with the state Civil Aviation Administration to expand the capital airport.

#### 6. Urban antidisaster work.

We should reinforce the embankments of Yongding He, and make urban rivers more capable of preventing floods and draining waterlogged areas. We should increase fire stations and teams, improve urban fire control facilities, build a fire control center, and raise our urban fire control capacity, especially the fire control capacity of high-rise buildings.

#### 7. The maintenance and management of urban infrastructural facilities.

We should renew in a planned manner the current gas and heat supply pipelines and water supply and drainage pipelines that have been operated for many years, and coordinate with the Ministry of Energy Resources to renew oil transmitting pipelines to ensure their safe and reliable operation. We should raise the quality of managerial personnel, and improve the means of management to make our management more modernized.

### F. Construction of Residences, and Rebuilding of Unsafe Housing

#### 1. Housing construction.

We should exert efforts in urban housing construction to further improve the people's housing conditions. Houses completed every year should be no less than 5 million square meters in floor space. Based on the overall plan for urban construction, we should do a good job in the comprehensive development and construction of auxiliary projects of small residential areas, and build various service facilities at the same pace so that these residential areas will have complete support facilities and a good and beautiful environment, and the people's life will become more convenient and comfortable. In coordination with housing reform, the state, the collective and the individual should share housing construction funds in a reasonable way. Rural housing construction should be developed under a unified plan, and houses should be concentrated in some areas so as to save land. Planning and land management departments should strengthen management and technical guidance to rural housing construction.

#### 2. Renovation of unsafe houses.

Renovation of blocks of unsafe housing in the suburban areas should be carried out in coordination with the development of new residential areas, housing reform, real estate business, construction of urban infrastructural facilities, construction of commercial outlets, and preservation of the style and features of the ancient capital. We should strive to dismantle 2.5 million square meters of older, dangerous houses in the city proper in the next five years.

### **G. Construction of Satellite Cities, Market Towns and New Rural Areas.**

We should continue to intensify the construction of the four satellite cities of Huangcun, Tongzhen, Changping and Yanshan. We should give priority to the improvement of roads and transportation and telecommunications facilities, intensify construction of educational, medical, commercial, cultural, and recreational facilities, gradually improve the functions of satellite cities, and improve the working and living conditions for the people so as to make the satellite cities more appealing and capable of playing a role in dispersing the population of the city proper and alleviating the pressure on it. Meanwhile, we should build other new satellite cities.

We should build villages and towns under the unified plan of the municipality, and particularly build market towns so as to lead the construction of villages. We should build in a selective manner several new market towns that are rationally distributed, are provided with supporting facilities, have good transportation services, are tidy and sanitary, and have local characteristics. We should accelerate the development of new countryside, and extend this work to large areas after experiments.

### **H. Environmental Protection**

We should conscientiously implement the policy regarding environmental protection, a basic policy of our country, and should implement the system of assigning administrative leaders to assume responsibility for environmental protection. Governments at the city and county (district) levels should do several concrete deeds for environmental protection every year, bring this work into line with systems, carry out this work in a persistent manner, and strive to basically bring environmental pollution under control and effect a favorable cycle in agricultural ecological environment as of 1995. We should vigorously prevent and control dust pollution, successfully protect drinking water sources, and control the discharge of exhaust gas and noise by vehicles. We should strengthen the building of urban sewage and garbage disposal facilities, and complete the building of the first-stage project of Gaobeidian Sewage Treatment Plant and the building of some small sewage treatment plants. We should exercise control over the total volume of discharged pollutants, and rapidly control the existing sources of pollution. In initiating a new project, we must successfully conduct environmental appraisals, and strive to make designs and build the environmental improvement facilities and the main body of the project simultaneously, and make them available simultaneously.

### **I. Greening of Urban and Rural Areas and Construction of Gardens and Forests**

We should make continued efforts to make the capital green and beautiful, and to protect and improve the ecology. By 1995, the forest coverage rate in suburban areas should reach 32 percent, and that in urban areas

should reach 30 percent. Meanwhile, the per-capita share of public green land in cities should reach 6.5 square meters.

We should implement the principles of "consolidation, improvement, enhancement, and development," and penetratingly, realistically, and sustainedly launch the flower and grass planting activity and the all-people voluntary tree-planting activity. We should vigorously plant trees and grass on barren hills which are suitable for developing forestry, and should plant trees and build forests on the areas suffering wind and sand calamities in order to control wind and sand damages. We should build fruit and forest bases and scenic tourist zones in nearby mountains and hilly areas. We should gradually build green corridors along both sides of major roads and rivers. We should continue to enhance the greening level of urban areas by developing public green land in order to attain the goal of having flowers in three seasons and making all of the four seasons green. In building gardens, we should lay emphasis on repairing the ruins of the Garden of Ten Thousand Gardens and the Shuidui Garden, and on building a number of small gardens, small landscapes, and small flower gardens in order to make the capital even more beautiful. We should strengthen prevention of forest fires, plant diseases, and insect pests, should protect ancient and famous trees, and should strengthen the construction and management of scenic tourist areas and natural reserve areas.

## **7. Tasks and Measures for Scientific and Technological Development During the Eighth Five-Year Plan Period**

### **A. Natural Sciences and Technology**

1. Scientific research and joint research for major scientific and technological items.

By focusing on technological transformation for traditional industries, on mastery and application of technology imported from abroad, and on urban construction, we should pay attention to the scientific and technological joint research in the following ten fields:

In the field of agricultural technology, we should lay emphasis on the modernized coordination technologies with regard to grain, vegetable, poultry, aquatic products, fruit, and 11 other items.

In the sphere of machinery and electronics technology, we should lay emphasis on manufacturing machinery and electronics products and equipment and developing and applying machinery- and electronic-based products, including microelectronic products, computers, communications instruments, electric and electronic instruments, intelligence instruments, and industrial-use robots.

In the sphere of vehicle technology, we should lay emphasis on developing vehicle CAD/CAM system, assembling technologies, electric installation of vehicles, high-strength and thin-wall casting technology, and domestic production of vehicle plastic parts.

In the sphere of raw material technology, we should lay emphasis on developing such new products and new technologies as engineering plastics alloy, fine chemical industry materials, functional substitute compounds, special alloy materials, and new-type building materials, particularly water-proof and sealed materials.

In the sphere of light and textile industrial technology, we should lay emphasis on developing packing technologies, the designs and processing of moulds, and water-saving and environmental protection technologies; applying biological technologies, precision processing technologies, and special processing technologies.

In the sphere of traffic technology, we should lay emphasis on the management of urban traffic, orbital traffic technology, and the technology for optimizing the distribution of road networks.

In the sphere of environmental protection technology and the technology for developing and using regenerated natural resources, we should lay emphasis on developing technologies for protecting water resources and saving water; controlling air, water, and noise pollution; treating solid waste goods; and comprehensively using natural resources.

In the sphere of urban construction and civil engineering technology, we should lay emphasis on applying new technology for urban planning and design, energy-saving construction technologies, and fast construction technologies.

In the sphere of urban modernization and management technology, we should lay emphasis on developing 10 to 15 key computerized projects, including financial circulation, commodity circulation, urban safety, and basic data banks.

In the sphere of medical and health technology, we should lay emphasis on developing the technologies for the early-stage diagnosis and the overall prevention and cure of heart, brain, and blood vessel diseases as well as various tumors; basically experimenting and clinically applying and studying neurosurgery, ophthalmology, plastics surgery, and orthopedics; studying ways for making Chinese medical diagnosis become more objective, standardized, and modernized; and developing new specific Chinese medicines and new-type medical instruments.

## 2. Application and popularization of scientific and technological findings

In the next five years, we should popularize about 500 advanced and applicable scientific and technological findings. They mainly include the technologies for increasing the production, storage, transportation, and processing of farm and sideline products; new water-saving technologies; technologies for environmental protection and overall utilization of natural resources; and

new technologies for upgrading production efficiency, increasing the product quality, and reducing energy consumption.

### 3. Study and application of new high-technology

Priority should be given to developing the technology of electronic information, the unified technologies of machinery and electronics, and the technologies of new materials and biology. Efforts should be made to accelerate the pace of building the Beijing development and experimental zone of new and high technological industries and to fulfill the tasks of overcoming the technical difficulties among the 100 items in the aforementioned fields by regarding as the backbone the new technical enterprises, scientific research institutes and units, higher educational institutions, and the large- and medium-sized enterprises which have conditions. Based on the scientific research, a number of items should enter the medium course of experiment and the municipality should gradually establish dozens of new high-technical industries, such as microwave electronics and calculators, optical fiber telecommunications, electricity and electronics, numerical control machine tools, and new materials.

### 4. The basic research of natural science

We should put our work emphasis on studying and pioneering the subjects in the newly rising technical fields and other technical fields, which have important expectations of usage, as well as subjects which have an important significance on enhancing the self-development of science and technology.

### 5. Major measures adopted for developing science and technology

In deepening the reform drive in the scientific and technological systems, we should gradually establish the new mechanism of integrating science and technology with the economy.

Efforts should be made to formulate or steadily improve the policies of accelerating the pace of making scientific and technological progress, particularly the policies of encouraging enterprises to make scientific and technological progress and of supporting the development of new high-technology industries.

Efforts should be made to increase the investments in science and technology through multiple channels and to enable the proportion of the municipal financial input in the municipal financial expenditure to gradually reach more than 3 percent. We should also enhance the construction of scientific research units and facilities, emphatically rebuild or newly build some facilities for institutes and for scientific research undertakings, a number of high technology laboratories, and a number of bases in charge of engaging in ordinary experiments and of developing technologies for various industries and trades.

Efforts should be made to vigorously develop various associations in charge of integrating science and technology with production, to formulate policies of encouraging enterprises to set up associations, and to promote the combination of science and technology as well as production and popularization and application of scientific and technological results. We should also enhance the scientific and technological strength of large- and medium-sized industrial enterprises and gradually enable them to become the main body for developing new products and adopting new technologies.

#### **B. Philosophy, Social Sciences**

We should enhance the study of theoretical and practical issues with regard to building socialism reflecting the Chinese characteristics and promote the prosperity and development of philosophy and social sciences. We should also emphatically carry out study on the theories of Marxism and Mao Zedong Thought, on popularizing the operation mechanism of integrating the planned economy with market regulation, conducting reform among the municipal economic and political systems, and on the municipal policies of economic development. Efforts should be made to enhance the construction of new sciences and to improve the publication of books and periodicals. Social sciences workers should follow the road of integrating theories with practice, combat or oppose the influence of bourgeois liberalization, and edit or publish a large number of high-quality books and popular reading materials in the social sciences. We should establish a premise of rewarding outstanding social sciences work and a system of appraising outstanding research results. The municipality will finish the construction of the municipal social science building and raise funds for building a municipal storehouse for statistical materials on the national economy and society.

#### **8. Tasks and Measures for Development of Educational Undertakings During the Eighth Five-Year Plan Period**

Schools of various categories and at all levels should implement in an overall way the party's educational guideline, further straighten out the guiding ideology of operating schools, enhance the moral education, continuously deepen the reform drive by regarding as a center the work of upgrading the educational quality, strengthen the building of teachers' contingent, optimize the educational structure, increase the funds of investments, and should upgrade the whole level of educational undertakings across the municipality.

#### **A. Basic Education**

The municipality will enforce in an overall way the nine-year compulsory education among both urban and rural areas and enable the education of morality, intelligence, and physical fitness to reach the first-grade level of the country. Efforts should be made to ensure junior middle schools to avoid the "two shift classes" during the highest peak of student enrollment. We should make efforts to improve the schooling conditions of middle

and primary schools in rural areas and particularly in poor, mountainous, and remote areas; and should enable the educational conditions of middle and primary schools across the municipality and the level of middle and primary school teachers' educational records to reach the basic standards set by the state. We should vigorously develop preschool education, enable the enrollment rate of children at or above three years to reach 80 percent and the enrollment rate of rural children at or below three years to reach 60 percent. Attention should be paid to developing special education for the blind and the deaf as well as for handicapped children and juveniles. Of these children and juveniles, those who are able to study can enjoy the nine-year compulsory education.

#### **B. Secondary Vocational and Technical Education**

In line with the need of building up the capital, we should vigorously develop vocational and technical education and actively enforce the system of giving training first and employing them after the training. Efforts should be made to formulate an overall plan among the existing secondary specialized schools, technical schools, vocational senior middle schools, and secondary adult schools; to readjust the overall arrangements and specialized courses of schools; to improve the schooling conditions; and to successfully foster a number of backbone schools. The municipality's student enrollment quota of secondary vocational and technical schools in 1995 will reach 55,000 and the proportion of students studying in these vocational and technical schools in the total number of senior middle schools will increase from 55 percent at present to 60 percent in 1995. Efforts should be made to accelerate the pace of developing education for technicians and workers, to further encourage various industries and trades to operate schools and various enterprises to jointly open schools, and to enable the trainee enrollment quota each year to reach 16,000. We should develop vocational and technical education in rural areas through multiple channels and enable the annual student enrollment quota to reach more than 10,000. Efforts should be made to adopt measures to enable the graduates from the junior middle schools to receive in varying degrees the vocational or technical training. We should also extensively hold short-term training classes of various categories and in a flexible way so as to upgrade the quality of on-the-job personnel in politics, professional, and technology.

#### **C. Ordinary Higher Education**

We should basically fulfill the tasks of readjusting the overall arrangements and the specialized courses for the colleges and departments among the municipality-run general higher educational institutions, stabilize the existing scope, develop key courses, and upgrade the quality of education. Efforts should be made to bring into full play the role of the central colleges and universities in Beijing in training senior talented personnel for the country and the capital. The student quota of the

higher educational institutions in Beijing will be stabilized at 160,000 to 170,000 and the graduate quota in the coming five years will be 200,000, of whom, those of graduate schools will be 30,000. The higher educational institutions should enhance their moral education and their activities of social practice and should establish relatively stable bases of production practice, military training, and of social practice. We should closely integrate the scientific research work of higher educational institutions with production and education and gradually enable the higher educational institutions in the capital to become scientific research bases which can meet the need of construction of the country and the capital and can render services for the country as a whole.

#### **D. Adult Education**

We should, by regarding on-the-job training as a focus, adopt various forms and channels to open classes and vigorously develop education on practical technologies and of on-the-job training. Enterprise and establishments should have their staff members and workers in charge of important technologies receive the training, become qualified, and be conferred with certificates. The new labor forces in rural areas should receive the training of practical technologies equal to or above the junior middle school level. Efforts should be made to enhance the education on the theories of scientific socialism and the Marxist philosophy among cadres at all levels and to strengthen the training among cadres so as to upgrade their quality in politics and profession. A good job should be done in conducting adult education for obtaining the qualification of higher learning and in enhancing the continuous education of specialized personnel. We should also stabilize the results scored in eliminating illiteracy and prevent the occurrence of new illiteracy.

#### **E. Major Measures for Developing Educational Undertakings**

We should deepen educational reform. We should greatly facilitate the reform of the ideology and content of education and teaching methods, continue to deepen and popularize the reform of the management of schools, pay attention to the reform of the management of rural education, and consolidate and improve the methods for raising educational funds from various channels.

We should develop teachers training education on a priority basis and intensify efforts to improve the teachers contingent. We should improve the teaching and learning conditions of teacher training schools of various categories, and adopt realistic measures to improve the quality and increase the number of the students of teachers training schools. In remote areas, we should continue the preferential policies, such as expanding enrollment, to encourage the graduates from the schools other than teachers training institutes to engage in education so that the shortage of teachers can

be resolved. We should intensify the training of incumbent primary and middle school teachers to improve their political and professional qualities.

We should raise funds from various channels, and increase investment to intensify the construction of school buildings and teaching facilities. We should also mobilize forces from various quarters of society to establish schools. During the Eighth Five-Year Plan period, we should, in particular, complete the reconstruction and expansion of the school buildings so that the middle schools in suburban areas total 300,000 square meters in floor space. We should pay attention to the construction of the primary and middle schools in poverty-stricken remote areas, and change their outlook by and large in five years. We should expand the school buildings of a number of secondary specialized and skilled workers schools and vocational senior middle schools, and gradually improve their places and facilities for fieldwork. We should make arrangements for necessary construction projects in line with the implementation of the plans for adjusting higher educational institutes under the municipality.

### **9. Tasks and Measures for Developing Cultural Undertakings During the Eighth Five-Year Plan Period**

#### **A. Culture and Arts**

We should take Marxism and Mao Zedong Thought as a guide, uphold the orientation of serving socialism and the people, and adhere to the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." We should greatly develop socialist literature and art; advocate the outstanding national culture; and create literary, film, music, dance, arts, opera, and quyi works that reflect the style and features of this era, inspire the people's morale, and arouse the national spirit.

We should continue to intensify the construction of cultural facilities, and make the best use of Beijing's cultural facilities to strengthen the role of the capital as a cultural center. We should make active efforts to arrange the large-scale cultural facilities built by the central authorities in Beijing. We should pay attention to the construction of the cultural facilities of our municipality, complete the municipal archives, and basically complete the construction of the Shoudi Library and the municipal children's library. We should strive to complete all the district and county cultural centers, libraries, scientific and technological centers, and archives.

We should increase the places for spare time cultural and recreational activities of the masses, and strengthen guidance in these activities. The focuses are to build cultural and recreational facilities for young people and children and rural cultural stations, and to launch rich, colorful, healthy, and beneficial cultural and recreational activities for the masses.

We should strengthen management of the cultural market, and improve various rules and regulations to standardize the various cultural programs.

#### **B. Radio and Television Broadcasting**

We should adhere to the socialist orientation for propaganda, make full use of and develop the role of radio and television as mass media, continuously improve our ability and level in producing programs, further improve the conditions for suburban counties and districts to relay radio and television programs, increase radio and television frequency channels and programs, and stabilize the municipality's radio and television coverage at more than 98 percent. We should build the China International Broadcasting Center and the station for transmission to foreign countries in coordination with pertinent central units, complete the construction tasks of the Beijing Television Station, and intensify the construction of rural broadcasting stations.

#### **C. Press and Publication**

Press units should positively propagate the line, principles, and policies of the party; and should grasp the direction of public opinions by focusing on positive education for the masses. Press units should always give top priority to social effects, strengthen management of various trades, improve the quality of publications of various kinds, and strive to publish more good books. Press units should also try to build book distribution centers in order to gradually form a reasonable layout of book distribution centers.

#### **D. Preservation of Cultural Relics, and Building of Museums**

We should continue to persist in the principles of "scientific preservation and reasonable utilization," should perfect and implement the regulations on preservation of cultural relics, should pay attention to repairing and maintaining key cultural relics and historic sites, and should attend to archaeological studies and the excavation of cultural relics. We should rebuild the ruins of Yuanshuiguan in Jinzhongdu Town, and rebuild the museum of the ruins of the Shang and Zhou Dynasties in order to gradually establish a museum system with Beijing characteristics. We should make full use of museums and memorial halls for education on national culture, revolutionary tradition, and patriotism.

#### **E. External Cultural Exchanges**

By giving full scope to Beijing's functional role as the cultural center of the country, we should have diverse forms of cultural exchanges with foreign countries at various levels and through various channels. In the course of developing government-to-government cultural exchanges, we should strive to expand the people-to-people cultural exchanges, and continue to promote cultural contacts with friendly foreign cities and with friendly overseas groups. We should establish and perfect a number of external propaganda windows with the

characteristics of the Chinese nation and Beijing. We should frequently hold international academic discussions, which will increase influence, and international cultural activities of various kinds.

#### **F. Sports**

We should vigorously pursue mass sports activities to strengthen the people physically. We should make full use of Asian Games stadiums and gymnasiums to hold various kinds of competitions in order to help improve the municipality's level of physical culture and sports. We should encourage physical training in schools so that students will be more healthy. We should perfect the sports technical schools, the physical training and sports schools, the sparetime sports schools, and the four-level training network of primary and middle schools. We should enhance the athletics level of outstanding sportsmen and sportswomen, and strive to win outstanding scores at domestic and international contests. In addition, we should create positive conditions for holding the 27th Olympic Games in Beijing in 2000.

### **10. People's Livelihood and Social Guarantee During the Eighth Five-Year Plan Period**

#### **A. Income and Consumption Structure of Urban and Rural Residents**

During the Eighth Five-Year Plan period, the average wages of workers and staff members should register an average increase of 2 percent every year, and the average per capita net income of peasants should register an average increase of 4 percent every year, if the price increase factor is taken into account. Meanwhile, we should further improve the material living standards of urban and rural residents, and improve their consumption structure. There should be an ample supply of varied foodstuffs, and a big enhancement in the nourishment of urban and rural residents. People's clothing should develop in the direction of ready-made clothes and clothes with different designs. The proportion of medium- and high-grade clothes bought by the people should be raised. The amount of television sets and other durable consumer goods owned by peasant households should increase by a relatively big margin. The sphere of high-grade durable consumer goods bought by urban households should be expanded constantly. Cultural and recreational activities that are good for the people should be enriched further. People's housing conditions should be improved. By 1995 the per capita housing space of urban residents should reach 9 square meters (equal to 13 square meters of the utilized space), and the housing problems of a number of households with most grave difficulties should be solved. The houses and living conditions of peasants should be improved.

#### **B. Family Planning**

By 1995 the population with permanent household registration in our municipality should be kept within 11.05 million. We should continue the basic national policy of

family planning, and keep the yearly birth rate within 140,000 in the Eighth Five-Year Plan period.

We should continue to strengthen guidance for family planning, and popularize the system of responsibility for family planning targets across the board. We should make unremitting efforts to conduct multiform family planning propaganda and education so that the masses will voluntarily practice family planning. We should conscientiously enforce the "Beijing Municipal regulations on family planning," extensively mobilize forces to comprehensively improve family planning work, rely on the masses, manage family planning according to law, and greatly advocate late marriage, late child bearing, fewer but healthier births, and sound upbringing. We should guarantee the funds for family planning work, address the implementation of contraceptive measures, strengthen guidance on contraceptive techniques, support the research on clinical applied sciences and the dissemination of new technology, achieve better contraceptive results, and exercise pre-pregnant management. We should pay particular attention to and achieve success in the family planning of rural areas and the transients in Beijing.

### C. Labor and Employment

During the Eighth Five-Year Plan period, approximately 600,000 urban laborers will need jobs. The overwhelming majority of them may be employed through various measures, and the urban unemployment rate may be kept within 1 percent. Meanwhile, new laborers in rural areas will increase by approximately 280,000. Arrangements for them should be made mainly through the development of forestry, animal husbandry, sideline production, fishery, and township enterprises. Those who seek jobs in urban areas should be strictly controlled and managed.

We should strive to expand urban and rural avenues for production, and make particular efforts to greatly develop tertiary industry to increase employment opportunities. By 1995 the number of people engaged in the tertiary industry should account for approximately 45 percent of the total employed people. We should continue the employment principle of combining employment through labor departments with organized employment on a voluntary basis and self-employment. Except for state enterprises, which may increase their staff members and workers to meet the needs in production and construction, we should expand employment mainly by greatly developing the collective economy, and encourage urban jobless people to work in collective enterprises or to start businesses of their own. We should adopt proper policies to encourage and guide people to work in difficult trades and posts. We should bring random migration of rural manpower to urban areas under strict control. Rural surplus laborers should be absorbed by rural areas mainly through the development of the rural economy, and a small part of the rural manpower should work in urban areas in a planned manner to resolve the difficulty of some urban trades in

hiring people. We should prohibit people of non-labor age from entering the labor force. We should persistently popularize optimal labor organization, and encourage all units to streamline their personnel and to help the surplus personnel develop the tertiary industry.

### D. Medical and Public Health Work

1. We should persist in the principle of "prevention first, relying on scientific and technological progress, encouraging all of society to participate, coordinate the development of Chinese traditional and Western medicine, and serving the people's health" to comprehensively develop primary-level public health work. We should consolidate and improve the three-level medical and public health network, and make district and county planned inoculation of four kinds of vaccines reach 95 percent or higher. We should have more supervision of sanitation work, and intensify efforts in the prevention of contagious diseases, endemic diseases, occupational diseases, and the diseases that seriously endanger people's health. The overall incidence of type A and type B contagious diseases should be reduced by 10 percent from the Seventh Five-Year Plan period. We should prevent the spread of acute contagious diseases and new contagious diseases.

2. We should complete the renovation and expansion of the hospitals under the municipality, and, in particular, strengthen and improve the medical facilities in rural areas, and replace their medical equipment. By 1995 hospital beds for the entire society should reach 65,000. We should greatly strengthen rural public health work, improve the rural public health service system, and make township public health stations and village public health offices more qualified and plentiful. We should intensify efforts to improve the public health contingent, raise its medical level, and increase the number of specialized medical personnel by 15,000 in the five year period.

3. We should strengthen joint research on solving key scientific problems. We should exploit our superiority in such medical areas as neurosurgery, wounds, orthopedics, burns, heart, blood vessel, and tumor. We should continue to develop gerontology, health recovery service, and health care service for women and children. We should look at the development of traditional Chinese medical science, encourage the role of traditional Chinese medicine and medical science in treatment and disease prevention, and strengthen the work of combining traditional Chinese medical science and Western medicine.

4. We should perfect the medicine supervision system in order to ensure the safe and effective use of medicine among the masses.

### E. Social Guarantee

#### 1. Old-age and Unemployment Insurances

The focus of the social guarantee services lies in the perfection and improvement of the old-age insurance

system and the unemployment insurance system. Because Beijing has already become a city with a larger proportion of old people, and that when adopting policies on the people's social, political, economic, and spiritual life, and on the improvement of social atmosphere, Beijing should gear the policies to demographics with a larger proportion of old people, so that the old people will have someone to support them, will have something to do, will have something to enjoy, will have somewhere their diseases will be treated, and will have something to study. In line with the principle of reasonably sharing by the state, collectives, and individuals, we should gradually expand the coverage scale of overall planning for old-age insurance and old-age pension. Centering on enterprise reform, we should establish an unemployment insurance system, and implement insurance systems in various levels of society. In rural areas, in line with the respective levels of production development of respective localities, we should develop in a planned way the old-age insurance for peasants and the insurance for workers and staff members of township enterprises that are suitable for the characteristics of rural areas.

## 2. Social Relief

We should change from the service of simply providing disaster relief to people to a social relief service of helping disaster victims develop productive forces. We should further attend to the work of giving special care to family members of revolutionary martyrs and servicemen. We should open up more channels of raising funds to establish a social relief fund; readjust standards for special-care service, welfare service, and relief service; and guarantee the basic lives of the households with low income and grave difficulties.

## 3. Social Welfare Service

We should mobilize all forces in society to develop social welfare facilities. We should further develop service to residential areas, enhance the utilization rate of service facilities of residential areas, and help more residents benefit from social services. We should continue to increase the number of such social welfare facilities, such as old people's homes, sanatoriums, and residential service centers. Additionally, we should solve the handicapped people's problems in labor, livelihood, and education.

## 11. Investment in Fixed Assets During the Eighth Five-Year Plan Period

We should strengthen the overall regulation, control, and management of fixed assets, and increase the investment returns in line with the principles of controlling the total amount, readjusting structure, and ensuring key items.

### A. Scale of Investment in Fixed Assets

In line with the possibility of financial resources and with the demands of economic and social development, the municipality breaks down the scale of investment in

fixed assets as 106 billion yuan in the five years covered by the Eighth Five-Year Plan, if price rises are taken into account, an increase of 49.5 percent over that during the Seventh Five-Year Plan period. Of this amount, the investment by central departments will be 45 billion yuan; and that by Beijing Municipality, 61 billion yuan, an increase of 50 percent over the actual amount invested during the Seventh Five-Year Plan period. Of the investment by Beijing Municipality, 45 billion yuan will come from the state-owned units, 11.8 billion yuan from collective units (of which, 4 billion yuan will come from urban collective units), and 4.2 billion yuan from individuals in urban and rural areas.

The investment in local state-run units and collectively run units in urban areas in the coming five years will be 49 billion yuan, a 47.1 percent increase over the Seventh Five-Year Plan period. In line with the principle of investing less in capital construction and more in technical renovations, the investment in capital construction will be 22 billion yuan, a 43 percent increase over the Seventh Five-Year Plan period; and that for the investment in technical renovations will be 27 billion yuan, a 51 percent increase over the Seventh Five-Year Plan period. The sources of these investments will be funds raised by local units themselves, loans released by the banks, outside capital, local financial funds, and state investments.

## B. Investment Structure

The principle of investing in local fixed assets is, in line with the demands of the state policy on industries and of the municipal program of readjusting the structure, to emphatically make arrangements for urban infrastructures (including local power construction), education, scientific research, agriculture, the reserve strength of industries, the technical renovation of large- and medium-sized enterprises; and for housing construction. We should adequately increase the scale of investment in constructing business facilities as well as in administration and public security. We will never build new tourist hotels again and will bring the construction of general office buildings, hostels, halls, and guest houses under strict control.

## 12. Major Tasks and Measures for Economic Structural Reform During the Eighth Five-Year Plan Period

### A. Perfecting the Ownership Structure With Public Ownership Being Predominant

On the premise of persistently regarding the publicly owned economy as predominant, we should adequately develop individually run enterprises, privately owned enterprises, and other economic component parts. We should bring into play the favorable and supplementary role of nonpublicly owned enterprises; conduct these enterprises in line with the guidance provided by law, supervision, and management; and promote the ownership structure to be suitable to the level of productive force development.

### **B. Reform of Enterprise Structure**

Continuously enlivening enterprises, particularly the state-run large- and medium-sized enterprises, represents the central link of deepening the reform drive in the economic systems. We should formulate policies for enlivening large- and medium-sized enterprises; improve the external conditions; support the state-run large- and medium-sized enterprises in the fields of funds, materials, and economic policies; and gradually create conditions for large- and medium-sized enterprises to contend with other enterprises.

We should stabilize and improve the "two guarantees and one hook-up" business responsibility system and the rent system. Continuous efforts should be made to conduct the pilot work on enforcing the stock sharing system and, in line with the state unified arrangement, to conduct another pilot work on "separating profits from taxes, repaying loans after paying taxes, and contracting responsibility after paying taxes."

We should improve the depreciation system; adequately upgrade step by step the depreciation rate of key industries, trades, and enterprises; and earnestly implement the system of having enterprises supplement their circulation funds independently. Efforts should be made to expand the self-determination right of the state-run large- and medium-sized enterprises in technical renovations, to realistically relieve the enterprises' burdens, and to encourage enterprises to accelerate their pace in conducting technical renovations and developing new products.

We should conduct reform in the organizational forms of enterprises to promote the reorganization, association, and mergers of enterprises. We should also establish in a planned manner a large number of transregional and transdepartmental enterprise groups and some joint corporations with associations between production and sales; with associations among agriculture, industry, and commerce; and with associations among science, industry, and trade. Efforts should be made to enhance the competitive capability of enterprises.

We should deepen the reform drive in the leadership system, enhance the core role of party organizations in enterprises, uphold and improve the plant director responsibility system, rely on the working class wholeheartedly, bring into full play the role of the working class in conducting democratic participation and supervision, improve the congressional system of staff members and workers, and enhance the democratic management of enterprises.

In conducting reform among collectively run enterprises (including town-run enterprises), we should follow the thinking of conducting independent business, of being responsible for profits and losses independently, of conducting democratic management, of distributing according to work, of having staff members and workers raise funds, of adequately sharing the bonus, and of having collectives accumulate funds. Through reform,

we should further realize the unification among the ownership of property, the self-determination right of enterprises, and the right of democratic management so as to promote the development of the collective economy.

We should strengthen the management of state property, step up inventories to verify the property, and probe the effective system to manage state property.

### **C. Development of Socialist Market System**

We should gradually establish a highly efficient and unimpeded circulation system that can be regulated and controlled to promote the growth of the market. We should establish and improve a multi-layered and multi-channel unified and open market system under which various ownerships coexist. We should further improve the market for the means of subsistence, expand the market for the means of production, and open up and develop the money market, technology market, information market, real estate market, and labor service market so that their development can be coordinated with the commodity market development. We should also further improve the market organization laws and regulations and the means of regulation and control. We should gradually establish a standardized market order for competition on the basis of equality so that the market can develop in a healthy manner under the guidance of plans. We should give full play to the role of state commercial and material enterprises and supply and marketing cooperatives as the major channels for the circulation of goods. We should establish and improve a material and commodity reserve system.

### **D. Reform of Price Structure**

In line with the targets and arrangements of the central authorities, we should actively and prudently facilitate the price reform, and establish a rational mechanism to fix prices and a system to manage prices on the premise of controlling the general price level. While maintaining social stability, we should adjust or deregulate the prices of some consumer goods in a timely manner to reduce the financial burden caused by subsidies. We should gradually put the prices of a few important commodities that affect the national economy and people's livelihood and some service charges under centralized state control. We should put the prices of other ordinary commodities and service charges under market regulation, and give full play to the role of prices in regulating production and the relationship between supply and demand. We should establish and improve local laws and regulations on prices, and strengthen price management, supervision, and inspection according to law.

### **E. Reform of Financial Structure and Financial Subsidies System**

We should continue to stabilize and improve the district and county contracted financial responsibility system. With the improvement in the people's living standard, we should gradually reduce the categories and the

amount of subsidies. We should actively and prudently reform the financial subsidiary system in coordination with reforming the grain purchasing and marketing system, and the price, wage, and social security systems. We should seize the opportunity to phase in the work to reduce the amount of subsidies and to reform subsidiary measures and raise the efficiency of subsidies simultaneously. We should adopt corresponding measures to prevent the actual living standard of low-income people from declining.

#### **F. Reform of Banking Structure**

We should continue to deepen the reform of the banking system. The municipal People's Bank of China should strengthen leadership and management of specialized banks and other monetary organizations, and specialized banks and other monetary organizations should be operated in the same way as enterprises. We should actively and prudently develop the money market, expand the channels for lending money, expand the issuance and transfer of negotiable securities, and support the enterprises and construction projects with good economic efficiency to raise funds by issuing bonds. We should continue to develop the foreign exchange regulating market to render good monetary service to reform and opening up.

#### **G. Reform of Labor and Wage Systems**

We should conscientiously implement the principle of distribution according to work, overcome egalitarianism, and fully boost the labor enthusiasm of staff members and workers. We should resolutely break the "iron rice bowl," and popularize and improve the labor contract system. We should unswervingly provide necessary work to facilitate the endeavor to optimize the labor organization within enterprises. We should operate well the labor service market at various levels, and continuously expand the avenues for employment.

We should continue to persist in and perfect the method of basing an enterprise's total payroll on its economic performance. We should reform the wage system of enterprises, readjust enterprises' wage and income structure, restrict and reduce the distribution in kind, curb the proportion of income not covered by wages, and gradually incorporate a portion of state-stipulated subsidies of a welfare nature to the scale of wages. We should strengthen and perfect the management of wages. On the prerequisite of establishing self-restriction mechanism among enterprises and controlling the increase in the consumption fund, we should actually grant enterprises the autonomy to distribute their wages, and should allow and encourage enterprises to explore their distribution systems and forms which are geared to their own characteristics.

#### **H. Reform of Housing System**

We should vigorously promote the reform of the housing system, and gradually reform the present housing system characterized by low rent and welfare nature. During the

Eighth Five-Year Plan period, in line with the principles of selling houses and reasonably raising house rent simultaneously, we should appropriately raise the rents of public houses, and continue to encourage residents to purchase public houses in order to increase the commercialization of houses. On the basis of summarizing experiences, we should further perfect and gradually popularize the methods which are currently under experimental implementation, such as selling houses at a preferential price, selling houses at market price, raising house rents by a small margin, collecting cash deposits for renting houses, and building houses on a cooperative basis. We should reform the housing investment and construction structure; encourage the state, units, and individuals to raise funds through diverse forms with the purpose of building houses, and gradually establish a housing construction mechanism characterized by self-development and favorable cycle.

#### **I. Reform of Social Security System**

We should gradually separate the functions of providing guarantees for workers' retirement and unemployment from the administration of enterprises, and should subject these functions to the socialized unified management. In line with the principle of reasonable share by the state, units, and individuals, we should reform the system regarding free medical service and the medical insurance system, and should strengthen management and reduce waste in this regard. We should establish and perfect the worker retirement fund and the worker unemployment relief fund. We should establish the rural old-age insurance and medical insurance systems, and gradually establish a rural insurance system, with the self-insurance predominant and supplemented with collective support.

#### **J. Reforming Planning System, and Perfecting Macroeconomic Regulation and Control System**

In line with the central authorities' stipulations on establishing regulatory and control systems of the state level and the province or municipality level and dividing the regulation and control powers of the two levels, we should gradually establish overall regulation and control structure and system, which combine planning with market regulation, and which put economic, administrative, and legal means under coordination. In particular, we should perfect the indirect regulation and control system, and should make even better use of price, credit, tax revenues, and interest rates to regulate economic operation.

We should strengthen the management of the macroeconomy; further exploit the "leading" role of planning departments; rationalize the relations among planning, financial, banking, and other multi-functional departments; and strengthen coordination and cooperation among these departments.

Planning departments should further attend to the overall balance of the national economy; should scientifically formulate plans for economic and social development; should draw up the municipality's methods for implementing the industrial policies and other economic policies in line with the state industrial policies; and should make comprehensive use of the economic, administrative, and legal means to regulate the operation of the economy.

We should gradually and appropriately narrow the scale of mandatory planning, and expand the scale of guidance planning. We should primarily conduct the planned management of the municipal economic development goals, the control of the total amount, economic structure, the readjustment of layout, and those major economic activities which have a bearing on the overall situation. Most production and management activities of enterprises and all ordinary construction and technological transformation projects should be primarily subjected to market regulation.

We should further enhance and bring into play the role of the departments of audit affairs, statistics, commodity prices, banking, tax affairs, industrial and commercial administration, and of technical management, in economic supervision. Efforts should be made to improve the accounting system of the national economy; to perfect the auditing system; and to improve the scientific methods and systems of statistics, supervision, and surveying; and to gradually realize information and statistical modernization and network services across the municipality.

We should establish the system of making policy decisions in a scientific way; earnestly probe the feasibility of major and important projects; and should define these projects through consultation, estimation, and scientific appraisal and in line with the approval procedure and authority set by the state so as to promote the scientific and democratic ways of making economic policy decisions.

### **13. Building of Socialist Spiritual Civilization During the Eighth Five-Year Plan Period**

#### **A. Basic Requirements**

Building the socialist spiritual civilization not only represents the important component part of building the socialist modernization, but also the fundamental guarantee for building the socialist material civilization, and must be regarded as a big event with strategic significance and be successfully carried out. Through the construction of socialist spiritual civilization, we should upgrade the quality of the people throughout the municipality in ideology and morality and their levels in science and culture; train new successors with ideals, morality, cultural knowledge, and the obedience of discipline; and should make efforts to build the capital into a city stressing civilization and courtesy, having a beautiful and clean environment and a peaceful and perfect order, and enjoying a comfortable and convenient life.

Efforts should be made to formulate the Eighth Five-Year Plan and the 10-year program of building the spiritual civilization in the capital, to increase the necessary investments, and to provide correspondent material conditions for the program.

#### **B. Socialist Education**

We should unwaveringly uphold on a long-term basis the four cardinal principles and the education and the struggle against the bourgeois liberalization. By aiming at certain targets, we should deal with the problems of ideology and theories confused by the bourgeois liberalization and apply Marxism to occupying the front of the ideological field. Efforts should be made to vigorously enhance the ideological and political work; to deeply conduct education among the people across the municipality and particularly among juveniles on patriotism, collectivism, socialism, and on nationalities' policies; to carry out the education on the revolutionary tradition, ideals, and discipline and on the country's conditions; and to criticize the out-and-out egoism, the money worship, and the thinking of worshipping and having blind faith in things foreign so as to enable the vast number of people to heighten the national spirit and to enhance national self-respect and self-confidence and the sense of pride. We should foster the sense of being the capital of the country, enhance the belief in socialism, unite as one, and should actively plunge into the grand cause of building the socialist modernization in the capital.

#### **C. Mass Spiritual Civilization Building Activity**

We should adopt various measures to organize or direct the vast number of people to join in the activities of building the spiritual civilization and enhance the construction of ideology and morality by regarding as a basic requirement the "principle" of cherishing the motherland, the people, labor, sciences, and socialism; as well as of training "new successors with four haves." Continuous efforts should be made to deeply carry out the "activities" of being a civilized citizen, creating a civilized unit, of building the city into a civilized one; and to have grassroots level units implement in a down-to-earth manner the tasks of building the spiritual civilization. We should continuously carry out the activities of learning from Lei Feng and the advanced or model personages and foster a fine morale across the municipality, in which the people are learning from the advanced and feeling honored to be the advanced. Efforts should be made to extensively carry out various activities of public welfare and obligatory laboring and to establish a cooperative and harmonious relationship among the people.

We should continue to give close attention to "antipornography" work and the work to wipe out "six vices," actively conduct education to transform social traditions, and advocate a "civilized, healthy, and scientific" lifestyle to improve social practice. We should combine

family education, social education, and school education, and link well the initial moral education of pre-school children with the ideological and moral education of primary and middle school students so as to promote the all-round growth of young people and children. We should conduct in-depth education in national defense among all the people, launch extensive activities to select "double support" model districts and counties, maintain close ties between soldiers and civilians, and strengthen the unity between the army and the government.

#### **D. Comprehensive Improvement of Urban and Rural Social Environment**

We should launch a wide patriotic public health campaign, and further improve urban and rural sanitation to create a beautiful environment. We should make unremitting efforts to control and rectify traffic order, and effect a notable change in urban traffic. We should continue to rectify the market order, and see to it that markets do business according to law, sell genuine goods at a fair price, conduct fair businesses, provide good service, are tidy and sanitary, and maintain good order. In all trades and professions, especially the five major "showcase" trades of commerce, public transportation, municipal administration and public utilities, medical and public health service and tourism, we should conduct in-depth education for the purpose of "serving the people and being responsible to the people" and in professional ethics so that they can improve their service attitude and provide good-quality service.

#### **E. Building Clean Government**

We should continuously enhance leading cadres' understanding of the importance and urgency of building clean government, adhere to the principle of "first, being resolute, second, being persistent and third, achieving good results in every stage," intensify the education in and improve the system for remaining clean and honest, enforce discipline strictly, and conscientiously correct the unhealthy trends in various trades. Starting with the problems with which the masses are most dissatisfied in different periods, we should pay close attention to problems, and make efforts to solve them until success is achieved. We should resolutely punish corruption, and strictly investigate and handle law and discipline breaches. Meanwhile, we should streamline institutions, and change work styles to raise their work efficiency.

We should continuously enhance cadres', especially leading cadres', sense of being public servants, who should set themselves as an example, remain honest in performing official duties, do work diligently to benefit the people, go deep into the grass-roots levels, maintain close ties with the masses, listen to their voices attentively, show concern for their life, and help them resolve misgivings and difficulties.

#### **14. Construction of Democracy and Legal System During the Eighth Five-Year Plan period**

##### **A. Building of Socialist Democracy**

We should persist in the people's democratic dictatorship led by the working class and based on the worker-

peasant alliance, persist in and improve the people's congress system and the system of multi-party cooperation and political consultation under the leadership of the communist party, consolidate and develop the patriotic united front, establish and improve the procedures and systems for democratic policymaking and democratic supervision, and establish a leadership system that helps raise work efficiency and boost the enthusiasm of various quarters. When making important decisions, we should give heed to the opinions of the Chinese People's Political Consultative Conference, democratic parties, mass organizations, pertinent experts and scholars and the masses, and further expand the channels for democratic parties to participate in and discuss state and government affairs. We should recommend members of democratic parties and patriotic personages without party affiliation to assume leading posts at various levels of government departments. We should further reform the administrative system to bring into better balance the relations among government functional departments at various levels. We should give further play to the role of administrative supervision departments in supervising leading cadres, and strengthen people's supervision over government departments and functionaries.

We should conscientiously attend to the work with regard to minority nationalities, religion, overseas affairs, and Taiwan affairs. We should consolidate and develop socialist national relations characterized by equality and mutual aid, unity and cooperation, and common prosperity. We should successfully conduct education for minority nationalities, and promote the economic development of the townships (villages) where minority nationalities live in crowded communities. We should conscientiously implement the policies on freedom of religious belief stipulated by the Constitution. We should extensively unite the returned overseas Chinese, the relatives of nationals living abroad, our compatriots in Taiwan, Hong Kong, and Macao, and overseas Chinese living abroad; and should give play to their positive role in promoting the capital's modernization drive and the great cause of reunifying the motherland.

We should further attend to the building of political power at the grass-roots level and the building of democracy; should earnestly implement the regulations regarding the work of villagers' committees, residents' committees, and workers' congresses, as well as other pertinent laws, rules, and regulations; and should enable the masses to fully exercise their rights as masters of the country.

##### **B. Building of Socialist Legal System**

We should persist in administering the municipality according to law. We should constantly launch social, economic, and political activities in line with laws and systems. We should accelerate the perfection of various

laws, rules, and regulations; attach importance to establishing local rules, regulations, and laws which are coordinated with the state laws and administrative regulations; and pay attention to establishing the rules and regulations on specialized trades. We should gradually perfect the system of regulations concerning urban planning, construction, and management; and should perfect the regulations concerning economic management (including the management of economic affairs involving foreigners), and concerning the cultural and public health management and the social security management so that we will provide laws and regulations for economic relations, economic activities, and social activities in various fields. We should rapidly formulate corresponding detailed rules and regulations for implementing the basic economic laws and regulations initiated by the state.

We should actually strengthen administrative law enforcement and the supervision and examination of administrative law enforcement. We should strengthen leadership over administrative law enforcement, and should exercise functions and powers in strict accordance with laws, rules, and regulations. In the course of subjecting ourselves to supervision by judicial departments and by the masses, we should strengthen the self-supervision mechanism of administrative organs according to law. We should actually ensure the earnest observation and enforcement of various laws, rules, and regulations, in particular the various laws, rules, and regulations regarding economic construction and economic management. We should persist in the principles of strict law enforcement and observation with punishment to law breakers. We should strengthen the training of law enforcement personnel of all kinds, and constantly improve the political and professional expertise of law enforcing personnel in order to institutionalize law enforcement. With the Constitution as the nucleus, and with the law on specialized trades as the emphasis, we should universally conduct the propaganda and the education on the legal system among citizens, and enhance citizens' sense of protecting their legitimate rights and interests and performing their duties according to law.

We should continue to mobilize and depend on all forces in society to improve social order in an all-round way. We should deal blows to serious criminal offenses and economic crimes. We should resolutely check and ban all ugly phenomena that corrupt social values, and should safeguard the political and social stability of the capital. We should further strengthen the public security and judicial work, strengthen public security and judicial organs, perfect facilities for such organs, improve their technical equipment, and enhance the overall quality of the ranks of public security and judicial workers.

We should strengthen the concept of national defense; and step up the building of the ranks of armed

policemen, public security cadres and policemen, militiamen, and reserve duty personnel. We should safeguard the safety and social stability of the capital, and defend the people's interests and the socialist modernization drive.

In case of big changes in the conditions for implementing the Eighth Five-Year Plan, the municipal government may conduct necessary readjustment for the major targets of the plan set by this "outline," and the readjusted targets should be submitted to the municipal People's Congress for examination and approval. In the latter stage of the Eighth Five-Year Plan period, the municipality will draw up the Ninth Five-Year Plan.

#### **Beijing Financial Report, Budget Published**

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[Report on Beijing Municipal 1990 financial final accounts and the draft 1991 financial budgets, given by Wang Baosen, director of the Beijing Municipal Financial Bureau, at the fourth session of the ninth Beijing Municipal people's congress on 17 April 1991]

[Text] Fellow Deputies:

Entrusted by the municipal people's government, I am now going to deliver a report on the 1990 financial final accounts and on the draft 1991 financial budgets for the present session for examination and discussion.

#### **I. The 1990 Financial Final Accounts**

In 1990, the people of various nationalities across the municipality conscientiously implemented the principle of the CPC Central Committee and the State Council on further improving the economic environment and rectifying the economic order and deepening reforms, and various resolutions adopted at the third session of the ninth Beijing Municipal people's congress under the leadership of the Beijing Municipal party committee, worked in unity and cooperation, spared no efforts to overcome all sorts of difficulties, and successfully fulfilled all tasks and targets adopted at the third session of the ninth municipal people's congress. In addition, we also successfully fulfilled all major fighting objectives set in the Seventh Five-Year Plan. In 1990, we witnessed the 13th bumper harvest year in agricultural production; through painstaking efforts, industrial production rebounded steadily; the urban and rural markets were brisk; a fairly rapid growth rate was maintained in the foreign export trade; the whole municipality's retail commodity price index greatly declined to varying results after experiencing vast increases; and a portion of the expected results in economic improvement and rectification was made. The successful convocation of the 11th Asian Games in particular had greatly enhanced the national spirit and inspired the people across the municipality to make new contributions to the capital's

socialist modernization construction. On this basis, the financial revenue and expenditure budgets were fulfilled in a good manner.

We overfulfilled the financial revenue budget of the fiscal year and maintained steady increases in eight successive years. The 1990 municipal financial revenue budget approved by the third session of the ninth municipal people's congress was 7.384 billion yuan. The result of implementing this budget showed that the actual revenue was 7.401 billion yuan, which was 100.2 percent of the budget, up 4.2 percent over the previous year.

We strictly controlled the financial expenditure within the budgetary targets and guaranteed the priorities under the principle of retrenchment. The 1990 financial expenditure budget approved by the third session of the ninth municipal people's congress was 6,127,650,000 yuan. In the course of implementing this budget, in order to guarantee the smooth progress of the Asian Games and the capital's political and social stability and the funds needed for the development of all undertakings, we readjusted the expenditure budget with the approval of the Standing Committee of the municipal people's congress and made the budget reach 6,789,021,000 yuan, showing an increase of 11.8 percent in actual expenditure over the previous year.

The financial revenue and expenditures were balanced with a small surplus. The results of the implementation of the 1990 financial budgets showed that in addition to turning over the sum to the central authorities and making contributions to them in accordance with the stipulations of the financial system in force, our municipality's finance had a slight surplus.

The year 1990 was an unusual year in our municipality. During the beginning of this year, owing to market sluggishness, and the shortage of funds, municipal industry witnessed a decline three months in succession. The serious situation of overstocked goods and the growth of enterprise deficits made the financial revenue decline by a large margin which has rarely been seen in our municipality. Under such circumstances, the people across the municipality and the broad masses of cadres and workers on all fronts exerted efforts to overcome all sorts of difficulties under the leadership of the Beijing Municipal CPC Committee, and succeeded in fulfilling the 1990 financial revenue and expenditure budgets adopted by the municipal people's congress. Our good achievements were hard won.

A. We strove to safeguard the political and social stability in the capital, and created a good social environment for developing production and increasing revenue. During the past year, the people of various nationalities across the municipality conscientiously implemented the principle that "stability is an overriding task, extensively carried out ideological education on upholding the four cardinal principles, and opposing bourgeois liberalization, strived to strengthen the building of the legal system and administrative honesty, realistically

improved the work style, maintained close ties between the party, government and the masses of people, and went deeply to the grass roots to do practical things and to solve practical problems."

At the same time, we extensively launched the building of the socialist spiritual civilization throughout the capital, with the universal participation and positive practice of the masses, thus forming a spiritual force to promote the sound development of various undertakings of the capital. In particular, the safe, exciting, and successful holding of the Asian Games inspired the patriotic enthusiasm of the people throughout the municipality, and enhanced the initiative of the people in building socialism. The vast numbers of cadres, staff members, and workers on various fronts attended to their professional work in line with the spirit of "loving our China, winning honor for our country, making selfless dedication, working in unity and coordination, waging an indomitable struggle, and vying with one another to create first-class achievements." They also created gold medals for the capital's building of material and spiritual civilizations, and made contributions to building the socialist undertakings. As a result, they gave full scope to the superiority of the socialist system, manifested the completely new outlook of the political and social stability of the capital, further pushed forward the capital's economic construction, and provided a reliable guarantee for the steady increase in the municipal financial revenues.

B. New headway was made in economic development, and various major economic targets were overfulfilled, thus providing a material basis for the steady increase in financial revenues. In the light of the slide in industrial production and in financial revenues which emerged early last year, on the basis of making a comprehensive analysis of economic situation and conducting profound investigations and studies, in line with the State Council's pertinent guidelines on appropriately readjusting the degree of retrenchment, and in combination with the specific circumstances of Beijing Municipality, the municipal people's government researched and formulated, in a timely manner, the "38-article" measures by focusing on supporting enterprises to readjust product mix, develop new products, increase sales, and improve efficiency; and then assigned vice mayors in charge to assume individual responsibility for implementing these measures. Various comprehensive economic management departments worked out preferential policies for the development of new products, established a new product development fund in a timely manner, and solved all sorts of practical problems facing enterprises through diverse ways such as handling affairs on the spot and going deep into the grass-roots areas. Various comprehensive economic management departments also carried out flexible supporting measures. For instance, they carried out the method of giving different awards to promote the sales of overstocked commodities of different categories, the method of positively supporting commercial, foreign trade, and supplies departments to

purchase industrial products, and the method of appropriately controlling institutional purchases. Various commissions and offices of the municipal government as well as various pertinent bureaus and banks organized leading groups to clear up debt defaults, with municipal leaders assuming personal responsibility for the clearing-up, and with various departments closely cooperating with one another. Various banks cleared up 1.7 billion yuan of debt defaults for enterprises, and the municipal financial department also provided 300 million yuan for enterprises to promote their production, thus relieving the fund shortages of enterprises. The vast numbers of workers and staff members carried forward the enthusiasm, initiative, and creativity of the working class, energetically readjusted the product mix, vigorously developed new products, strengthened sales organs, reinforced the ranks of sellers, and extensively conducted sales promotion activities. In 1990, the municipality developed 3,100 varieties of new products of various categories, of which, 2,100 were put into production. The municipality also developed 18,000 varieties of products with new designs, new specifications, new packages, and new colors; and such products created 4.16 billion yuan in output value and 500 million yuan in profits and taxes. Thanks to the readjustment of the product mix, some enterprises began to extricate themselves from difficult situations. State-run industrial enterprises covered by the municipal budget effected an 8.3-percent increase in their sales income under the situation that the nationwide market slump had not yet witnessed a favorable turn and the output value of these enterprises declined by 2.4 percent. At the same time, the funds occupied by finished goods of enterprises dropped somewhat. At the end of 1990, the funds occupied by enterprises' finished goods amounted to 3.136 billion yuan, showing a decline of 5.6 percentage points, 7.6 percentage points, and 10.7 percentage points from the end of March, the end of June, and the end of September respectively. Initial results were achieved in clearing up the cross-defaults owed to each other. Under the positive participation and support of enterprises, the municipality as a whole cleared up a total of 6.6 billion yuan in loans owed to the banks, and some enterprises untied the "chain of debts," thus creating good conditions for promoting production and invigorating markets. Thanks to the timely formulation and accurate implementation of various measures, new achievements were scored in the economic development of the municipality as a whole. Beginning from April last year, the municipal industrial production witnessed a favorable turn month by month. In 1990, the total output value of the industry at or above the township level throughout the municipality was 46.98 billion yuan, an increase of 5.4 percent over the previous year. The total volume of retail sales was 30.77 billion yuan, an increase of 15.3 percent over the previous year. Since July last year, financial revenues also began an upturn month by month following a certain period of decline, overfulfilled the revenue budget approved by the municipal People's Congress, and effected a steady increase for eight years running.

C. We continued to deepen reform and opened wider to the outside world to further boost the enthusiasm of all quarters for increasing production and income. Last year was the year when the first-round contracts of industrial and commercial enterprises and institutions expired. To establish an operational economic mechanism which integrates the planned economy with market regulation, keep the contract policy consistent and stable and encourage enterprises and institutions to overcome difficulties, we signed the second-round contracts with 13 general industrial companies (bureaus and offices), six bureaus (cooperatives and general companies) in charge of commerce, 21 state agriculture-related enterprises and institutions, and 18 cultural and educational institutions in line with the principle of "solving different problems in a different way while making no concession in general work." The new contract methods reflected a better relationship among the state, the collective, and the individual, thus ensuring the steady growth of state revenues and enabling enterprises to have a certain capacity for self-development. After the contracts were signed, the initiative of the cadres, staff members and workers of enterprises was further aroused. Despite the weak market sales and difficulties in the circulation of funds, they pulled themselves together and exerted all-out efforts to fulfill the contracted tasks. Of the 433 state industrial enterprises under the municipality, 261 fulfilled or overfulfilled the profit quotas and taxes to be turned over to higher authorities and the profits and taxes they created were 190 million yuan more than the quotas.

We continued to consolidate and improve the district and county contracted financial responsibility system to boost the enthusiasm of district and county governments for managing their own financial work. Last year, district and county revenues totaled 3,403.29 million yuan, up 7.8 percent from the previous year.

We continued the reform of the foreign trade system to reduce the deficits in foreign trade. In 1990, focusing on "tapping potential, adjusting the structure, carrying out comprehensive planning and making up the excessive deficits," all pertinent departments throughout the municipality made concerted efforts to carry out reform and the method of floating wages according to economic performance. Foreign trade companies attached equal importance to the increase of exports and the improvement of economic efficiency and gave close attention to their management. Their annual exports totaled \$1.32 billion, increasing by 13.9 percent from the previous year and fulfilling their annual quota three months ahead of schedule. They reduced the exports of 58 commodities which incurred large amounts of losses to reduce deficits by 70 million yuan. The average cost for earning foreign exchange was 5.32 yuan, 0.2 yuan less than the national average, and the local contracted enterprises which suffered deficits due to poor management reduced their deficits by 120 million as compared with the previous year.

We made active efforts to bring in and utilize foreign capital and greatly develop the enterprises in the "three forms of ventures." Thanks to the continuous improvement of our investment climate, a number of enterprises in the "three forms of ventures" were established and put into operation in 1990, which facilitated our economic development to some extent and became an important financial source of our municipality. The revenue they created for the municipality totaled 930 million yuan in 1990, up 36.7 percent from the previous year, and its percentage in the total revenue of the municipality rose from 2.5 percent in 1985 to 12.6 percent.

D. We achieved great progress in reducing financial subsidies. In 1990, 4.48 billion yuan of subsidies were allocated from both the revenue and the expenditure of the municipality, down 0.4 percent, or 520 million yuan, from the previous year. This amount was 20 million yuan more than the subsidy reduction quota of 500 million yuan as approved at the municipal People's Congress, representing a reduction of subsidies for the first time in more than a decade. In the past year, the municipal people's government always regarded the reduction of financial subsidies as central work. The mayor and vice mayors attended to this personally and the municipal People's Congress Standing Committee and Chinese People's Political Consultative Conference Committee also showed great concern. They heard reports on many occasions and offered many valuable suggestions. Pertinent departments and units throughout the municipality also considered the reduction in financial subsidies a great task. Financial departments organized subsidy reduction leading groups and investigation groups to investigate the subsidies one by one, worked out subsidy reduction plans and quotas in a scientific and rational manner, and assigned the quotas for all pertinent departments, units and individuals to fulfill under the responsibility system. Meanwhile, reward and punishment methods were formulated accordingly to boost their enthusiasm.

Various departments and units concerned, in situations where increasing losses were greater, fulfilled the target of curtailing the subsidies by making all out efforts, enhancing their internal management, and stopping up the loopholes. Curtailing the financial subsidies was carried out on the great premise of stabilizing the prices and ensuring market supply. They emphatically curtailed the losses and waste caused by the poor management, improved the method of giving subsidies to some commodities, and stopped up a number of loopholes. In handling the issue of "vegetable basket" which directly affects the residents' livelihood, they adopted the guideline of stabilizing the prices and continuously giving subsidies. Therefore, the effort to curtail financial subsidies not only has not aroused price hikes and not affected the people's livelihood, but also has proved the stable economy and the stable public feeling in the capital and revealed that the people in the capital are understanding and supporting the work done by the municipal people's government.

E. Supervision and management were enhanced and revenues were vigorously organized. Departments in charge of financial and tax affairs at all levels supported, assisted, and promoted enterprises to develop their production, to expand their sales, and to increase their economic results on the one hand; and made the work of organizing revenues important the other hand. The financial managerial specialists went deep into key enterprises which had earned more profits or suffered great losses to sign a contract with them on improving management and actively helped them implement the measures of increasing incomes and curtailing expenses and the targets of increasing incomes and reducing losses and clear up their outstanding accounts of profits handed over to the state. By the end of 1990, these specialists basically succeeded in making these enterprises free of bills due and scored a 500 million yuan decrease in the enterprises' outstanding accounts of profits handed over to the state. The departments of tax affairs separated the tax inspection from the tax collection and management; established or improved the systems of encouraging tax payers to actively report their tax payment and of carrying out management over goods delivery receipts; enhanced the collection and management of tax revenues; mobilized all forces of various social circles to play an active role in collecting, deducting, and paying taxes; and extensively carried out the mass inspection of tax revenues. They unearthed 570 million yuan in the cases violating the tax discipline in the year, cleared up the tax arrears worth 650 million yuan. The industrial and commercial tax revenues in 1990 were 8,324,113,000 yuan, a 5.8 percent increase over 1989, which made important contributions to ensuring the fulfillment of the municipal annual tasks of financial revenues. In addition, these departments further scored marked achievements in the mass inspection held in September last year over tax revenues, financial affairs, and commodity prices. The municipality's financial revenues, which deserve to be handed over to the state and were registered by units through their self examination or exposed by mass inspection at key enterprises, were 416 million yuan. Those which had been handed over to the state were 360 million yuan. The departments of auditing, industry and commerce, and commodity prices at all levels also generally strengthened their supervision and inspection. The enhancement of management and supervision conducted by various departments not only increased the financial revenues but also played an active role in promoting stability in politics, the economy, and society.

F. We continued to increase the investment in agriculture and supported the rural economy to achieve sustained, stable, and healthy development. The 1990 spending on supporting rural production and spending on the undertakings of agriculture, forestry, water conservancy works, and weather service affairs were 320.899 million yuan, a 2 percent increase over 1989. The increase in the year's spending on agriculture was emphatically used for supporting agriculture to adequately develop large-scale operation and to mechanize

farm production, for vigorously popularizing or applying agricultural science and technology, for developing the bases of grains and nonstaple foodstuffs, for promoting farmland capital construction and the development of town-run enterprises, for supporting the economic construction of mountainous areas, and for helping the poor get rid of their backwardness.

G. We showed a large increase in spending on education, science, and technology and actively did practical deeds for developing education, science, and technology. The municipality's spending on educational undertakings in 1990 was 819.928 million yuan, a 17.1 percent increase over 1989, greatly surpassing the 4.2 percent increased scale in municipal financial revenues. From other spending items, those on education were 420.24 million yuan. Thus, of the 1990 budget, the actual spending on education was 1,240,168,000 yuan. The education spending proportion calculated in term of comparable items in the municipal financial expenditure increased from 20.06 percent in 1989 to 20.1 percent in 1990, becoming the highest in the history of the municipality. In addition to the spending on education covered by the budget, various additional incomes outside the budget, such as incomes earned by the school run plants and funds raised by the society and individuals for education, were about 324.03 million yuan. If we combine the spending within or outside the budget on education, the total volume will reach 1,564,198,000 yuan, an 8.8 percent increase over 1989. Under great financial difficulty and tight funds, various units, based on their higher foundation in this regard, continued to increase their input in education and fully reflected the attention and support shown by the municipal party committee, the municipal People's Government, and the society as a whole to the development of educational undertakings.

The increased educational working funds for 1990 was mainly used for supporting reform of the internal management system of schools, developing rural vocational and technical education, buying teaching facilities for primary and middle schools in the mountainous areas, establishing military training bases, renovating school buildings and repairing dangerous houses, and further improving the teaching conditions. During the year, we allocated 33.05 million yuan in particular for building and readjusting some specialities in seven universities and 16 secondary specialized schools, and supported the experiments in the reform of the internal mechanism of the municipal institutions of higher learning, and the comprehensive supporting reforms in secondary specialized schools and the reform of the wage structure of primary and middle schools. Through reforms, the wages of the teaching faculties were greatly enhanced. The average per-capital annual income of the teaching faculties of primary and middle schools across the municipality increased by 28.9 percent over the period before reforms were carried out in 1988. We allocated a special fund of 50.27 million yuan for initially readjusting the

distribution of primary and middle schools in the mountainous areas, installed 1,500 sets of audio-visual educational aids in primary and middle schools in the mountainous areas, renovated and rebuilt 128,400 square meters of school buildings, comprehensively repaired 164,300 square meters of school building, and made emergency repairs to 65,000 square meters of dangerous school houses, added desks and tables to primary and middle schools with financial difficulties in the remote suburban areas and poor townships, improved the teaching conditions of primary and middle schools in the mountainous areas, and particularly supported a batch of vocational senior middle schools and secondary specialized schools for adults. The whole municipality had 1,484 vocational senior middle schools with 232 specialities, ranking first in the whole country. We conducted education to eliminate illiteracy in poor mountainous areas and townships, carried out practical technical training for peasants, and established 76 fieldwork spots for middle schools, and five rural fieldwork bases. Preparations for building two military training bases were underway. In addition, we also allocated 13.76 million yuan in circulation funds to support a number of primary and middle schools to run plants. In 1990, the ordinary educational departments across the municipality earned a net income of 137 million yuan from running plants. This sum supplemented 60.84 million yuan of educational funds for primary and middle schools. In order to increase educational input, last year the municipal people's government decided to increase the ratio of collecting the municipality's additional educational funds from 1 percent to 2 percent. From this, we collected a total of 116 million yuan. We established the people's educational funding system in 10 outer suburban districts and counties, and collected 36 million yuan of funds during the year. Thus, we opened a new path for collecting educational funds through various channels.

We continued to increase scientific and technological input. In 1990, the expenditures for three scientific and technological purposes and for scientific and technological undertakings reached 179.629 million yuan, up 19.3 percent over the previous year, greatly exceeding the growth of the municipal financial expenditure. The increase in expenditure was mainly used for supporting reform of scientific research, developing new products and new technologies, popularizing and applying scientific and technological achievements, buying scientific research instruments and facilities, and training scientific research fellows. During the year, we achieved 3,763 scientific and technological findings, of which 900 were major ones, 12 won national scientific and technological progress awards and three won national invention awards. We popularized and applied 3,076 scientific findings which turned out 2.3 billion yuan in output value and created 300 million yuan in profits and taxes. This, effectively promoted the development of national economy in our municipality.

H. We strictly controlled expenditure on ordinary capital construction projects and guaranteed the needs of funds

for key construction projects and maintenance of urban facilities. In 1990, the expenditure for the municipality's capital construction projects and for tapping enterprise potential and technical updating totalled 1,748,816,000 yuan, up 13.4 percent over the previous year. On the premise of controlling the overall supply and demand, we readjusted the structure, and guaranteed the needs of funds for key projects, continued projects and Asian Games construction projects. We successively completed the first-phase construction of the No.9 water plant, the Beijing television station, and the Beijing dairy products plant. In order to improve the housing conditions of the broad masses of people in particular, the municipal government tried by all possible means to collect 200 million yuan of funds for renovating dangerous houses, and promptly allocated these funds to various districts and counties to promote the progress of renovating dangerous houses. The municipality listed 37 areas of dangerous houses in the renovation plan. After renovation, 3.36 million square meters of residential houses would be erected, and more than 50,000 households, totalling 178,000 residents would have better houses.

In 1990, the expenditures for urban facilities was 302.378 million yuan, up 16.3 percent over the previous year. Plus the additional 70 million yuan for urban public utility undertakings, the expenditure for maintenance of urban facilities totalled 372.378 million yuan, and this sum was mainly used for making the municipality green and beautiful and for environmental protection.

I. We strictly controlled administrative expenses and properly controlled institutional purchases. In the past year, regarding control over administrative expenses as a major task of its endeavor for administrative honesty, the municipal people's government froze the sizes of administrative units and institutions, greatly simplified meetings, put official travel expenses and purchases of high-grade office facilities under strict control, popularized the work meal system across the board, carried out strict management of the expenditure budget, and continued the experiment of contracted responsibility for the total payroll. Except for the increase in the expenses used to adjust the wages of staff members and workers, the municipality's administrative expenses, totaling 133.385 million yuan in 1990, was basically the same as in the previous year.

J. We increased special allocations to ensure the smooth progress of the Asian Games. In addition to the funds allocated by the central authorities for construction of stadiums and gymnasiums and the funds raised by the masses and various districts, counties, and units, the municipality allocated 340 million yuan of budgeted special funds to ensure the expenses for holding the Asian Games and the expenses for building stadiums and gymnasiums, planting trees, beautifying and improving the environment, conducting propaganda and education on the Asian Games, improving public security, and training the athletes of our municipality. To enable the

overwhelming majority of the people in remote mountainous areas to watch the live relay of the Asian Games of the Beijing Television Station, 73 television relay stations and six satellite receiving stations were built in seven counties in outer suburbs and were put into operation before the opening of the Asian Games to increase the television coverage from 93.5 to 98 percent. In addition, to resolving the shortage of funds for the construction of Asian Games facilities and roads, the municipal people's government raised funds from various quarters to make sure that the stadiums and gymnasiums for competitions, the Asian Games village and 24 roads were built and put into use in a timely manner. It also allocated and lent some special funds to ensure market supplies during the Asian Games period and the special supplies for the Asian Games village and the hotels serving the village. The tremendous success of the Asian Games indicated a marked increase in the comprehensive strength of our country and proved once again that only a socialist country can pool its manpower, material, and financial resources to the maximum and accomplish what others regard as impossible within the shortest period of time.

K. We ensured the expenses for the adjustment of wages to improve the living standard of staff members and workers. In line with the State Council decision, we increased the expenses for adjusting the wages of staff members and workers of administrative units and institutions by 128.25 million yuan in 1990 to ensure the smooth progress of wage adjustment and improve the living standard of the staff members and workers. Meanwhile, measures were adopted to solve wage problems and medical expenses for the staff members and workers of the 131 enterprises which had suspended production or earned meager profits, thus ensuring the stability of the capital. Deputies, our municipality did a good job in fulfilling its 1990 budget, but there were still some problems and difficulties. First, the downturn in the economic efficiency of enterprises had yet to be fundamentally changed and the deficits of enterprises remained very serious. Second, we lacked effective restriction and supervision over the use and management of funds and the basic management work of enterprises and institutions remained very weak. Third, the inordinately large increase in financial subsidies was checked but the financial burden remained very heavy and there were still numerous loopholes in financial subsidies. Fourth, the personnel of administrative units and institutions increased by a fairly large margin, which increased the financial burden. Fifth, financial and economic discipline was lax and lavish spending and negligence of efficiency still existed. In carrying out future work, we should conduct active study and adopt measures to realistically resolve these problems and deficiencies.

## II. The 1991 Draft Budget

Our municipality's 1991 revenue and expenditure budget was formulated in line with the guidelines of the "outlines of the 10-year program and Eighth Five-Year

Plan for PRC national economic and social development" adopted at the fourth session of the seventh National People's Congress and based on the targets stipulated in the "(draft) outlines of the 10-year program and Eighth Five-Year Plan for the economic and social development of Beijing Municipality" put forward in Mayor Chen Xitong's government work report and the targets of the economic and social development of our municipality for 1991. The general guiding ideology for the breakdowns of financial revenues and expenditures are: Actually improving economic efficiency to ensure the steady increase in revenues; reducing expenditures and readjusting distribution; promoting the price reform, and curtailing financial subsidies; and striving to broaden sources of revenues and reduce expenditures with a view to striking a balance between revenues and expenditures. The revenues and expenditures projected by the 1991 draft budget are: Revenues are projected at 7.7 billion yuan, an increase of 4 percent over the previous year.

Expenditures are projected at 6.653 billion yuan, basically the same as the previous year's.

The above breakdowns will lead to a balance between revenues and expenditures, deducting the sum to be delivered and contributed to the central authorities as stipulated by the present financial system. Following is the explanation of the major situation of the breakdowns:

A. Continued efforts should be made to maintain a steady increase in revenues. The 1991 budget projects a 4-percent increase in revenues. This breakdown is based on the 6-percent increase in the municipality's economic planning and efficiency targets, namely, the total industrial output value (including the village-run industry); on the 10-percent increase in the total volume of retail sales of commodities; on the 1-percent decline in the consumption of raw materials and fuels; and on the 50-percent decrease in enterprises' losses sustained due to poor management. The revenue breakdowns have given consideration to the influence to be caused by the changes in the state economic policies to revenues, and have also taken into account the factors of increased production, expanded circulation of commodities, improved efficiency, and the increased tax sources which will lead to an increase in revenues. At the same time, the revenue breakdowns have also given consideration to the factors which will lead to a reduction in expenditures, such as the prices of some commodities will change, more sales of money-losing commodities will incur more losses, water and heat supply will increase, and transportation lines will be expanded. Under the current circumstances that market slump has not changed thoroughly, large- and medium-sized state-run enterprises still face relatively numerous difficulties, and the economic efficiency of some enterprises is still not high, it is an extremely arduous task to fulfill the revenue targets. However, there are also many favorable conditions. The

seventh plenary session of the 13th party Central Committee have defined correct guiding principles, the various policies and measures adopted by the state and the municipal government have been put into effect gradually, various measures regarding reform and opening-up have undergone constant improvement and deepening, external management environment of enterprises will improve further, the technological transformation projects and the technological import items put into production over the past few years will produce notable results, the vast numbers of cadres, staff members and workers will become much more capable of withstanding the strain of change and to meeting an emergency after two years' tempering, and enterprises' economic efficiency will improve notably and their potential of increasing revenues will be very great through the launching of the "quality, variety, and efficiency year" activity. Hence, through the concerted efforts of all fronts in the municipality, it is possible to fulfill this year's revenue tasks.

B. The breakdowns for expenditures have manifested the retrenchment principle, readjusted the expenditure structure, and persisted in the principle of allowing flexibility for some items while tightening up others, and giving guarantees for some items while restrictions to others. The breakdown for the 1991 expenditures is basically the same as the previous year's, and is the most tight one over the past several years. Now that this year's revenues increase to some extent, why the breakdown for expenditures is the same as the last year's? This is mainly because the municipality will decrease its financial resources by more than 600 million yuan in response to the central authorities's measures of amassing funds to raise the "two proportions," to ensure the construction of key projects and to ensure the increase in national defense expenses. In addition, the municipality will continue to contribute 120 million yuan to the central financial department each year. This will decrease the municipality's financial resources decrease, and will make the municipality's financial situation still tighter. To strike a balance between revenues and expenditures, we cannot but adopt the methods of reducing expenditures in addition to vigorously increasing revenues. In light of the municipality's financial situation this year, all expenditures will be kept at or below the levels of last year on the whole, except for the expenditures on agriculture, education, science and technology, public security, procuratorial and judicial organs, maintenance of urban infrastructure, and construction of key projects, which will increase on an appropriate scale. To achieve this, we must continue to live austere lives. We should appropriately control the scale of investment, reasonably readjust the structure of investment, make priority arrangements for the projects which have already been completed, make proper arrangements for the projects under construction, and exercise strict control over the newly initiated projects. We should continue to put administrative expenses under control. Towards some projects which need to be ensured emphatically, we

should also stress efficiency, make careful calculations, and strive to minimize expenses.

C. We should continue to increase input to agriculture and guarantee a sustained and steady agricultural development. During the year, we should arrange 348.93 million yuan of working funds for supporting rural production and the agricultural, forestry, water resources, and meteorological departments, an increase of 8.7 percent over the previous year. The increased expenditure will be mainly used for building farmland and water conservancy infrastructural facilities and water and soil conservation projects, developing grain and nonstaple food bases and animal husbandry bases, supporting the building of villages whose grain output reach 1 ton, popularizing scientific and technological findings in agriculture, training agrotechnicians, supporting the relatively poor townships further toward an end to poverty, promoting the sustained and sound development of township enterprises, and enabling optimum-scale farming to enter a higher level.

D. We should continue to increase educational, scientific, and technological expenses and push our municipality's educational, scientific, and technological undertakings to a new level. In 1991, under a fairly difficult financial situation, we should continue to place give education a strategic position of development, and exert our utmost to support it. The annual educational working funds should be arranged at 931.80 million yuan, up 13.6 percent over the previous year, and continue to maintain a fairly high growth in this field. In addition, the educational funds and capital construction investment from other expenditure items will be arranged at 405.453 million yuan. Thus, the annual budgetary expenditure for education will reach 1,337,253 yuan, accounting for 20.1 percent of the municipal financial expenditure. In addition to the budgetary expenditure for education, the additional income not covered by the budget, the income from school-run plants, and investment from the social sector and individuals should be increased continuously. It is expected that this sum will reach 380.24 million yuan. The total expenditure covered and not covered by the budgets will reach 1,717,493 yuan, an increase of 9.8 percent over the previous year. The increased portion of the expenditure will be mainly used for deepening and improving the reform of the internal mechanism of schools, readjusting the distribution of primary and middle schools in the mountainous areas, establishing major specialities in institutions of higher learning and secondary specialized schools, strengthening rural education and vocational education, developing elementary education, improving teaching conditions, raising teaching quality, accelerating the building of labor and military training bases, and continuously doing practical things for the educational sector.

We should increase scientific and technological input, and promote economic and social development in the capital. In 1991, we should arrange 169.98 million yuan for the trial production of new products, conducting

experiments and subsidizing key scientific research and carrying out scientific undertakings. If calculated in terms of comparable standards, the increase will be 28.5 percent greater than that of the previous year. The growth of expenditures in scientific and technological areas will be greater than any year in the past. This shows the attention and support of the municipal party committee and the municipal people's government for scientific and technological undertakings. The increased portion of the expenditures will be used mainly for deepening the reform of the scientific and technological systems, displaying the advantages of science and technology, popularizing and applying scientific and technological findings, promoting the readjustment of product mix, developing new products, and invigorating large- and medium-sized enterprises. Meanwhile, we should actively support the practice of invigorating agriculture with science and technology and developing high new-technology, and guarantee the needed funds for building bases for carrying out intermediate experiments.

E. We should increase expenditures for judicial and public security organs, and consolidate political and social stability in the capital. In 1991, we should arrange an expenditure of 290.27 million yuan for the judicial and public security organs, an increase of 5.1 percent over the previous year. The increased portion of the expenditure will be mainly used for increasing the police force of the judicial and public security organs, and adding facilities and increasing working funds for handling cases.

F. We should continue to increase expenditures for building and maintaining key urban infrastructural facilities, further enhance the comprehensive supporting capacity of urban engineering and public utility facilities, and improve the city environment. In 1991, the municipal expenditure for carrying out capital construction, tapping enterprise potential and updating equipment should be arranged at 1,210,750,000 yuan. While controlling the overall investment, we should continue to readjust the investment structure, accelerate the construction rate of of key projects and projects which are planned to be completed during the year, and accelerate the pace of renovating dangerous houses in the city proper. In 1991, we will arrange 333.500 million yuan of expenditures for city maintenance, an increase of 10.3 percent over the previous year. Plus 80 million yuan of various additional funds for urban public utility facilities, the total amount of city maintenance expenditure will reach 413.500 million yuan, an increase of 11 percent over the previous year. The increased portion of expenditure will be used mainly for planting trees along "seven roads and three bridges," beautifying the environment, raising the overall level of making the city clean and tidy, remedy pollution and protecting the environment.

Deputies, concerning the 1991 draft budget, the revenue figures are optimistic and the expenditure figures are tight, generally speaking. Such an arrangement is far from meeting the needs of various quarters, but we have

done our best. All districts, counties, departments and units should firmly embrace the idea of austerity, work out more ways to invigorate large- and medium-sized enterprises, to raise efficiency and to reduce losses, and strive to increase income and reduce expenses to fulfill their annual financial tasks.

### **III. Emancipate the Mind, Brave the Way Forward and Strive to Fulfill the 1991 Budget**

The year 1991 is the first year for implementing the 10-year program and the Eighth Five-Year Plan and a very crucial year for accomplishing the second-step strategic objective of socialist modernization. Whether or not this year's budget can be fulfilled not only plays an important role in this year's production, construction and development of various undertakings but also influences the accomplishment of the Eighth Five-Year Plan and the second-step strategic objective. To fulfill this year's budget, the key is to proceed from the reality of Beijing Municipality, emancipate our minds, deepen reform and, in particular, invigorate large- and medium-sized state enterprises and improve the economic efficiency of enterprises. In specific work, we should achieve success in the following tasks.

- A. We should deepen enterprise reform and invigorate large- and medium-sized state enterprises to improve their efficiency and increase their income.
- B. We should promote price reform, stem loopholes and reduce financial subsidies.
- C. We should strictly control expenditures and raise efficiency in the use of funds.

D. We should actively use foreign capital and greatly raise funds to ease financial difficulties.

E. We should continue to adhere to and improve the contracted financial responsibility system of districts and counties and the contracted responsibility system for the expenses of institutions in order to boost enthusiasm in all quarters.

F. We should strengthen the supervision and management of revenues and taxes and strictly enforce financial and economic discipline.

Financial and monetary departments at all levels should step up efforts to remain diligent and honest in their performance of duties and further improve the quality of their cadres' contingents. We should study Marxism-Leninism, conscientiously change our ways of thinking and work, go deep into the grass-roots levels to conduct investigations and study, wholeheartedly help them resolve misgivings and difficulties, carry out more practical work for the masses and work cautiously and diligently to bring financial and monetary work to a new level.

Deputies:

The financial tasks for 1991 are glorious and yet arduous. Under the leadership of the CPC Central Committee, the State Council and the Beijing Municipal CPC Committee, we should mobilize the people throughout the municipality to conscientiously implement the guidelines of the fourth session of the seventh National People's Congress and the various resolutions of this municipal People's Congress session, emancipate our minds, brave the way forward, pool the wisdom and efforts of the people, work hard, increase income and reduce expenses and strive to fulfill the 1991 budget of Beijing Municipality.

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